

JULY 15, 1933

**The Magazine for
MARKETING EXECUTIVES**

**SALES
*management***

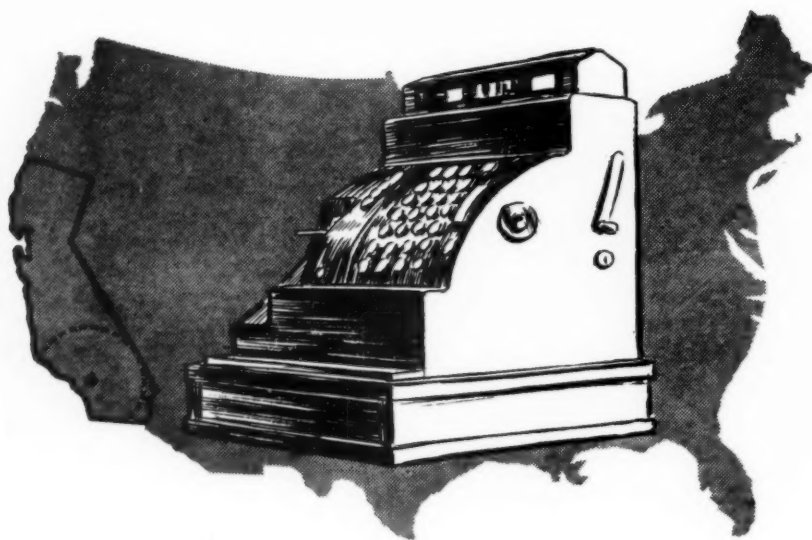
**Does Your Industry
Need an Open-Price
Agreement Now? . . .**

**The Chief Executive's
Job — How It Will
Change Under the
New Recovery Act . . .**

**More Sales at Less
Expense by Selective
Routing of Salesmen**

TWENTY CENTS

America's Greatest



The SOUTHERN California Market

Only New York and Chicago exceeded Los Angeles in total volume of retail business during 1932.

In April and May of this year this market again went forward. With the City of Los Angeles as its center, all the surrounding territory made sharp trade recoveries.

Last year's Department Store figures were bettered by 6.5% — certainly a great performance for this period.

New Car sales for Southern California show an increase of 84% in May.

Get into the Examiner . . . the newspaper with the largest home delivered circulation in Southern California . . . the newspaper that carries more general display advertising linage in its combined daily and Sunday editions than any other Los Angeles paper.

If you are interested in reaching the home ask the Boone Man about Prudence Penny.

For HOME DECORATION

The Beverly Hills Nurseries, in the heart of wealth and fashion, closed 600 individual transactions from one single advertisement exclusively in The Los Angeles Examiner!

THE KEY TO PROFITS

Los Angeles
EXAMINER
"Sales Master of America's Third Retail Market"

NATIONALLY REPRESENTED BY

New York

Chicago

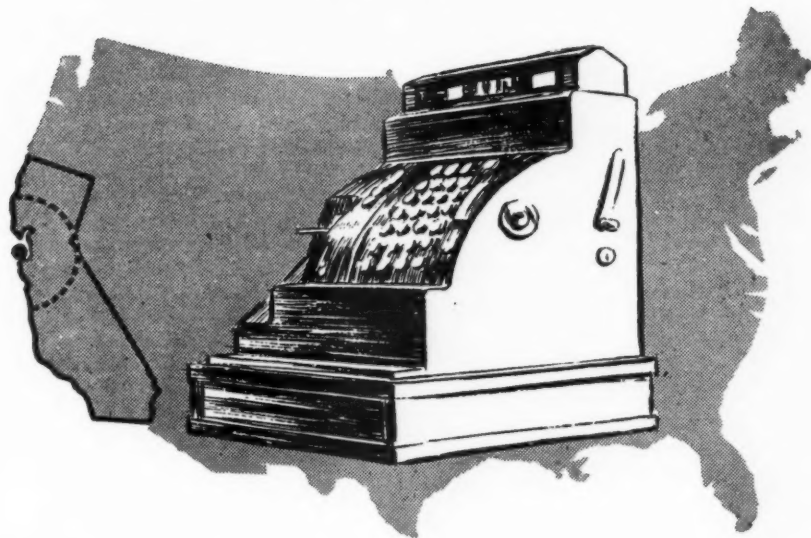
Rochester

Cleveland

Detroit

Boston

t Sales Opportunity



et The NORTHERN California Market

Northern California business is definitely better.

Passenger Car and Truck sales during the month of May increased greatly over last year.

In the same month San Francisco's Department Stores showed a gain of 9.2% in sales volume—a gain shared by the balance of Northern California. People are spending more money.

For 38 years The San Francisco Examiner has led all Northern California newspapers in combined daily and Sunday advertising lineage . . . it has the largest circulation in Northern California and the largest circulation in the combined City and Suburban area of San Francisco.

A SELL OUT!

Granat Bros., one of San Francisco's largest jewelry stores, sold over 400 Waltham Watches at \$21 each, from a single advertisement appearing exclusively in the San Francisco Examiner.

What is your sales problem in Northern California? Could you use pertinent facts and figures? Could the service of trained marketing men be helpful to you? If you want to get into the better homes of Northern California wouldn't Prudence Penny be helpful?

Ask the Boone man, he has all the details.

IN RICH CALIFORNIA

San Francisco
EXAMINER
"Dominating Sales Influence of Northern California"

RODNEY E. BOONE ORGANIZATION

Atlanta

Philadelphia

Seattle

San Francisco

Los Angeles

WHAT— 1929 ORDERS IN 1933 ?

JUST LOOK*

We got tired of spreading gloom so we went out to look for prosperity.

And here's what we found. One manufacturer going on double shifts—another increasing production 400%—a Baltimore company employing 40% more men—a Detroit company reporting a 45% increase in business. We could go on and on.

Yes, there are 1929 orders in 1933 and you, too, can find them by reaching the right concerns in these times.

There is one industrial magazine, *Mill & Factory*, that, due to its unique circulation method, is delivering just the circulation for these times. It is kept constantly up-to-the-minute by 86 active industrial distributors. If a certain industry and its allied businesses become suddenly active, there isn't any delay. The key men in those businesses are immediately reached by *Mill & Factory*.

The time to reach those active plants is *now*. Do not let prosperity's parade find you standing on the curbstone—the line forms on the right.

It will give us pleasure to prove all these statements with actual facts.

MILL & FACTORY

New York—205 E. 42nd St.
Chicago—333 N. Michigan Ave.

*Names on Request

Survey Surveys

BY WALTER MANN

Industrial Recovery vs. Advertising

"Ten little misconceptions all in a row! Grey swept the first away and then there were nine," might easily have been the title of this highly interesting 27-page analysis of the Industrial Recovery Act which bids fair to turn and overturn American industry in the next year or two. And with things looking up at the rate that they have since the first of the year, it would appear that the old horse is finally up and ready for a shaky gallop round the track. Give her more oats, says S. O. S. enthusiastically, which is precisely what this Recovery Act is designed to do. Always assuming that the Internationalists quit fooling around over there in London and give business men a chance to see whether the Act will work.

The Grey Advertising Service, Inc., a New York City advertising agency, working closely with Kirby, Block and Fischer as the sales promotion department of more than 100 retail stores in the K. B. & F. group, has a comprehensive grasp of basic wholesale and retail economics that is a very healthy agency asset in these close pinched days. Realizing the far-flung import of the Industrial Recovery Act, they worked for a solid month, "analyzing the bill, obtaining legal opinions, consulting with Washington, talking with trade association executives," etc., in an effort to arrive at a series of conclusions as to its effect on industry in general, and on sales and advertising in particular. The result of this work is an extraordinarily keen (though slightly repetitive) loose-leaf flexible fabric covered monograph that deserves the attention of every distribution executive whose thinking on the Act is still a little hazy.

The title of this monograph is indicative of the brass tack character of its contents—"How Shall I Function Under the National Industrial Recovery Act?" After a foreword which says in essence that merchandising will be profoundly affected by the Act and that the Grey agency's contact with retailers equips them excellently to function for a client at the point of retail sale, the report gets right down to business on a discussion of the Act, viz.: (1) It authorizes any group that is truly representative to prepare a code of fair trade practices which will be approved by the President if he finds (2)—(a) that the membership is fully representative of the industry for which it speaks, (b) that all members of the industry are eligible to membership, (c) that the code is fair to the public, to employees and to all legitimately operating competitors, (d) that it does not promote monopoly, (e) that it does not oppress or discriminate against



Pirie MacDonald
Walter Mann

small business enterprises; (3) employers agree that employees have a right to organize and bargain collectively; (4) that actual reductions of hours of labor to an approved point will ensue; (5) employers agree to minimum wage scales and standards of working conditions.

Next comes a discussion of the bill's enforceability and what the bill will not do. And here is where the ten little misconceptions are listed and summarily disposed of, particularly that one about the bill's tendency to stifle competition. S. O. S. thinks that this possibility is greater than the Grey Agency does. For, in at least one of the codes that is now being formed, he knows of an actual *volume allotment clause*, and if that isn't a competition stifler he just doesn't know what is.

The next section makes a most interesting point, namely, that the Government has had lots of practice in administering similar activities, through the Federal Trade Commission. Farces as these Federal Trade Commission conferences have been, says this monograph, they give an excellent guide to sour trade practices which the administrators of the Recovery Act can therefore avoid. Whereupon we find listed thirty-nine such practices starting with "wilful interference with any existing contract between employer and employee" to the banning of "loss-leader selling" (which SALES MANAGEMENT has crusaded against for many years).

Under the heading, "How Industry Is Moving to Benefit by the New Bill," are given twenty-three steps that associations may take in preparing for participation. Under a chapter on "How Merchandising and Advertising Will Be Influenced," there is a warning that the whole sales function will be profoundly influenced by the ramified applications of the Act, there are predictions as to the types of merchandising that will rise and fall as a result, and there is the inevitable prediction that advertising should spurt with (a) the elimination of cheap and unfair competition which destroyed profits and nullified much good work in advertising, and (b) the apparently unavoidable pure price advertising which infested certain commodity fields under the old system. Finally comes a brief discussion of Association advertising and its possible development during the Recovery period, and a brief but comprehensive description of the success and failure of the cartel system in Germany. Sales managers could spend several hours a lot more wastefully than in reading and studying this lucid, careful groundwork monograph on the Industrial Recovery Act. For your copy of a limited edition, write Lawrence Valenstein, president of the Grey Advertising Service, 128 West 31st Street, New York City.

State Tax Regulations—This pamphlet gives the New York State Tax Commission's regulations governing this new one per cent retail sales tax. Contains a series of answers to hypothetical questions which might arise under the law. Carefully indexed. Distributed through district offices in New York, Brooklyn, Utica, Syracuse, Rochester and Buffalo.



Looking Forward!

WITH a stout heart Chicago built A Century of Progress Exposition in the face of heavy odds.

It is a success! Great crowds throng Chicago. Business is better. *This city moves definitely forward to a new prosperity.*

* * * *

A sleeping giant of Wants is awakening. Homes are to be built, modernized, or refurnished. Mother and Sister have skimmed on their wardrobes, too, long enough. Dad and Junior feel the same way about it.

Consider these accumulated wants in well over 400,000 Chicago American families. They represent an enormous market for merchandise—bigger than Cleveland, or Detroit, or Los Angeles.

Only one other evening newspaper in the United States

(The New York Journal) reaches a market as large as the American's!

Chicago American families will buy—at the very lowest estimate—half a billion dollars (\$500,000,000) worth of merchandise during the next year.

No advertiser with level judgment can ignore a market of that size. It is vital to Chicago coverage.

* * * *

Not only in size, but in the urge to spend, the Chicago American market has leadership.

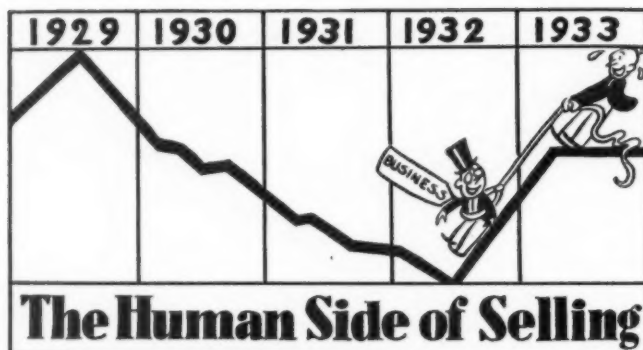
For the Chicago American caters to a "younger" market—to those "who are or who think under 40". People who are getting ahead, enjoying life, spending more. Only in this light can Chicago American readers be understood, and their greater urge to spend appreciated.

CHICAGO AMERICAN

a good newspaper

and A MIGHTY MARKET FOR MERCHANDISE

National Representatives: Rodney E. Boone Organization



Pigs' Feet on Fifth Avenue

A SALES MANAGEMENT reporter went up to the Bronx the other day to see Edwin F. Meier of B. Meier & Son, Inc., food brokers, who are teaching the chain stores how to merchandise "Broadcast" corned beef hash in cans. Mr. Meier also sells other food items: pickles, salad dressings, pigs' feet in jars. When the subject of pigs' feet came up, the reporter asked where lived the nameless millions who loved this food enough to make it Mr. Meier's best seller. (He thought of foreign and semi-foreign sections and certain industrial strata of society that go in for the substantial he-man foods.) Mr. Meier laughed. "I know what you're thinking," he said. "But you're 'way off. My biggest outlet for pigs' feet is at Fortieth and Fifth Avenue, New York—Woolworth's."

This particular Woolworth's is the apple of the Woolworth eye, the store which is three broad and impressive floors deep, which displays on its counters hundreds of items the smaller stores in the chain never see. It is keyed to its elite surroundings and to the tastes of the discriminating shoppers who frequent the upper Fifth Avenue shopping center. It would never, never, be picked as a logical outlet for pigs' feet and corned beef hash. Yet it was largely as a result of this eye-opening experience with these two products in this store that Woolworth put Mr. Meier's two leaders (and several other of his foods) into every Woolworth store in the country that has a grocery department. And it's a hard-boiled sales manager who could laugh *that* off.

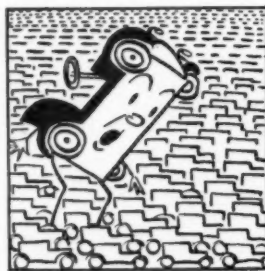
Salesman

A carpet sweeper salesman in Mobile, Alabama, took a sample of his product into a prospect's home and unfolded his story. He made a convincing presentation, but there was no sale. At least, there wouldn't have been for 99 per cent of the salesmen who might be faced with a similar situation. Alas, the housewife had no carpets or rugs. She didn't need a sweeper, said she with emphasis. But this salesman has what Vash Young would have called success consciousness. He left the house having sold the woman four rugs *and* a sweeper to keep them clean.

"Isn't that a honey?" asks J. H. McKee of the Adler Manufacturing Company—the concern that made the carpet sweeper the enterprising salesman sold.

Henry Ford at the Kitchen Sink

Thirty years ago last month, in a tiny brick building on Bagley Street in Detroit, the Ford Motor Company modestly began its spectacular career. When he greeted a large corps of press representatives on the anniversary, Henry Ford told how he fastened his first experimental motor to the kitchen sink when it was ready for testing. Mrs. Ford held a brass cup filled with gasoline to provide the fuel. The engine ran only three minutes. Has never run since. But to Ford it proved the practicability of his idea, and he immediately began work on an engine for installation in a car. That first car has had, to date, around 21,000,000 descendants!



Sniffers-at-Progress

If the president of the P. & F. Corbin Company had listened only to those in the company who distrusted a proposed plan to design and make a line of modern hardware, they would now be unable to tell their customers and prospects that the Empire State Building is equipped with Corbin products.

There was a faction in the company which held the conviction that a few pieces of high-styled hardware would lift the prestige of the entire line. They felt that a professional designer should be retained to turn out products that would represent the best of modern trends. But there was in the company also a faction that considered the scheme "new fangled"; they resented the intrusion of an outsider on the long-established working methods of the production department. (Production men, especially, look with suspicion on such newcomers—and if that newcomer happens to be handicapped with the stigma of being an "artist," he's bound to be denounced as impractical.)

In spite of the warnings of the doubters, Henry Dreyfuss, industrial designer, was assigned the job of producing some smart modern hardware. He went through the factory to see what the machines could do, compared the Corbin line with other lines, and resolved to produce some hardware that would outstrip any in the market. He submitted some drawings which Corbin's president thought were swell. They were turned over to a production manager with the order to produce some samples.

The come-back was typical. "I told you so. We can't make 'em on our machines."

The president, fortunately, had enough faith in the man he had retained to give him a chance to argue the issue. A meeting was arranged between him and the production man in the president's office.

Followed a repetition of the old story. "Your designs are impractical, Mr. Dreyfuss. Our factory isn't equipped to manufacture them."

"But I took your machinery into consideration when I produced these designs. What is it that can't be done?"

"You've specified a finish on this hardware that requires equipment we don't have."

Interruption by the president: "How much would the additional equipment cost?"

Hesitantly, "Er—about fifty dollars."

"Order it and turn out a complete line of samples."

The samples were produced and shown to the architects of the Empire State Building.

Reduced to elementary terms, it was an expenditure of fifty dollars for a brush wheel that won Corbin the contract and the prestige of equipping the tallest building in the world.

Coffee by Wallen, Incognito

Two years ago the Vatel Club of New York—in case you're mystified, it's an organization of chefs—gave their annual award of merit to George S. Wallen & Company. This award goes each year to some manufacturer in the food field who has done an outstanding job of producing a meritorious food product.

The Wallen Company does one of the most interesting private brand businesses you'll find anywhere in this country. Some forty-odd years ago, when George Wallen was a coffee broker, he was called in by the famous Louis Sherry to solve a grave problem. Sherry was to entertain a group of the biggest hotel men in the country. He wanted to serve the finest coffee these men had ever sipped. He asked Mr. Wallen to make a special blend for the occasion.

The Bigger the wind the shorter the sale—says Joe Hawley, salesmanager



EVEN Congress hasn't listened to as much inspirational oratory during the past year as the average salesman. He's been told to roll up his sleeves, get out and work, to lick this situation if it takes the last drop of blood. Sales managers usually go in for public speaking when they don't know what else to do.

"But pep talks didn't seem potent enough to keep the bankers away from our books. It would have been easy to shout: 'Come on, now, men! I want you to get out there and fight, fight, fight!' But it looked like a storm where the bigger the wind the shorter the sale. I knew I couldn't shout hard enough to make sales where there weren't any. That's why we gathered in the boys closer to greener pastures.

"We planted them all around within a hundred miles or so of New York

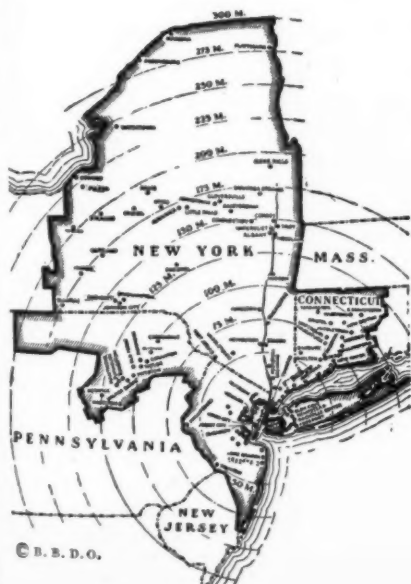
City. It may not seem like much of a territory on the map, but it has 16,000,000 people. And more people live in towns of over 10,000 than in all the towns of over 10,000 west of the Mississippi. The people have more jobs, and the towns have more orders for us. If anything goes wrong, I can be on the spot over night or less. No six weeks' swing around the country on a hit and run basis. The men have worked well because they've been in places where work counts. Our selling cost was less, too. We were able to dispense with the luxury of national advertising and spend our dough to brighten the corner where the sales are. And we gave the gang the best advertising support they ever got—with the Sunday News. 1,800,000 circulation where you can see it is better than millions where you can't. So we've done pretty well during this here now depression. It's a wonder more firms didn't follow our lead."

MORE and more sales executives are beginning to think like Joe Hawley—concentrating effort in the urban

East, concentrating advertising where it can pay, and looking for pay dirt in the Sunday News.

In 95 cities of 10,000 and up, Sunday News coverage never falls below 20%. The News reaches an average of 48.2% of the families in those cities. By virtue of more people, more money, more jobs, New York is the first and basic market for any national advertiser. By virtue of News coverage and the economy of News space, New York is one of the easiest of the big cities to sell. New York gives you more and bigger sales, more profit per sale. News advertising facilitates distribution, because dealers know that most of their customers see it. Your product, News advertised, rates the front rank on the counter, or a prize position on the shelves. Experience has taught the dealer that News advertising moves merchandise.

In a period when selling has been particularly tough, The News has proved its ability to sell. Whether you forsake all other markets and concentrate in New York, or use magazines for wide national coverage, you need The News. No other single publication gives adequate coverage in America's richest, biggest market.



© B. B. D. O.

THE NEWS *New York's Picture Newspaper*

220 EAST 42nd STREET, NEW YORK
Tribune Tower, Chicago + Kohl Building, San Francisco

MEMBER OF METROPOLITAN SUNDAY NEWSPAPERS

SALES management

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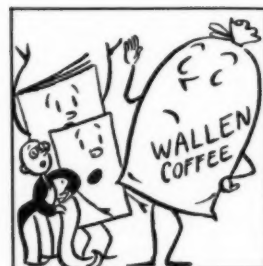
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So well did he execute his commission that a business was founded, and today the Wallen organization sells coffee to hotels, restaurants, steamship lines, and railroads, and a list of its customers would strike you pink. It includes the Pennsylvania Railroad, the Roney Plaza, and the White Star Line. Wallen roasted all of Schrafft's coffee until Schrafft set up its own roasting plant, and they have a brand named "West Point" which dates back to the time they first sold the United States Military Academy.

Housed in a shabby building on Water Street near the East River docks in Manhattan, the Wallen concern has serenely remained impervious to the march of time, to the development of modern marketing methods. They are religious believers in the mousetrap theory. They put every ounce of possible value into the product itself—and people come and get it.

Wallen, Sr., is 70 now. He has retired. His son and the son of his partner run the business. Wallen, Jr., gave up show business three years ago to take over his share of direction. He practically grew up in the theater, for his mother was at one time an actress of some note, having starred with the Stones in "The Red Mill" under the Dillinghams. "But when so many good actors were out of work, how could I expect to make a living through a major depression?" the younger Wallen inquired. "I decided to step into my father's shoes here."



The business has, of course, fallen off somewhat during the depression, but it has never failed to make a surplus. Its present ratio of assets to liabilities is around 40 to 1.

"We value the small customer just as much as the big fellow," the incumbent Wallen avows. "Everybody gets the same price, except in exceptional cases when the market is nervous, but even then there's never a difference of more than a cent a pound."

Patrons of many of the hotels, restaurants and clubs (Wallen's sell 40 per cent of the country clubs on Long Island) who serve Wallen's coffee call so often for an opportunity to buy some of the product that many of them sell their blends, specially packaged, with their private brand labels, at \$1 a pound.

The plant can roast around 3,000 pounds of coffee an hour. Some of it—that destined for the patrons of certain exclusive French restaurants in Manhattan—is roasted a greasy black. Other batches, headed for the resorts of the South, are mixed with chicory. "Wallen's No. 1," however, is the company's pride and joy and they consider it the finest coffee that can be purchased in this country or any other. The best green coffee beans come not from Brazil, but from Colombia, they say.

Said young Mr. Wallen, "We dislike efficiency experts, mahogany desks and advertising men."

They don't read magazines either, he said.

Dear Diary:

Girls in finishing schools by no means have a monopoly on keeping diaries. Harry Groopman, star salesman for Timken oil burners, has kept a sales diary for a couple of years. He has had the salesmen associated with him do the same. Maybe that is why his former branch in Brooklyn led all branches in the country in sales during the past year and licked competition six to one.

Keeping a sales diary helps Groopman several ways. Writing up what actually happened at a sale has often revealed to him the psychology of that sale and the reasons for its success, both of which factors may have been missed in the heat of the struggle. Another value of the diary is that in describing the past day's work, Groopman finds it made easy for him to plan his work for the succeeding day. Reading over a record of triumphs and failures of the past month is a great stimulant to further action for the following month. Perhaps the diary idea succeeds because it accomplishes exactly what sales reports do, only it represents a much more interesting way of making a cold check-up on one's own performance.

*If you missed
this announcement
in the July 1 issue,
read it now*

Sales Management Inaugurates "The Sales Letter Round Table"

SALES MANAGEMENT's department, "Sales Letters," edited by capable Maxwell Droke, has almost as many regular followers as the Pied Piper of Hamelin. This the editors regard as definite proof that a real hunger exists on the part of many sales and promotion executives for more information and discussion which will help them to improve their sales letter technique.

Hence there was born in our Graybar Building offices several months ago the idea that we should start a "Sales Letter Round Table"—an organization which would serve as a sales letter exchange for groups of executives who were sufficiently interested to participate in such an exchange on a regular basis.

Here's the plan:

Each person who becomes a member of the "Sales Letter Round Table" will send to SALES MANAGEMENT each month his outstanding letter of the month. It might be a collection letter, a sales letter, a letter to salesmen—any kind of letter. The SALES MANAGEMENT staff will then select the best 25, reproduce them, and send the collection to every member of the club. Maxwell Droke will pick really outstanding examples for mention in his "Sales Letters" page.

To cover the cost of reproduction and mailing, a service fee of \$10 a year will be charged to members, payable in advance. Such a fee will seem reasonable when it is considered that it will cover a collection of some 300 or more letters in a year's time. Since the value of the idea depends entirely upon regular contributions by all members, it will be understood that no one who fails to contribute at least once in two months can longer participate. Those who drop out will forfeit service fees.

Naturally, SALES MANAGEMENT's editors will select for distribution those letters of greatest general appeal. That is, those which contain ideas or involve basic principles that may readily be applied to a variety of fields.

It is quite possible that SALES MANAGEMENT will later announce an award of a cup to the club member whose work over a year's period seems to be the most meritorious from the standpoint of results obtained, character of letters written, and general intelligence of letter-promotion planning.

Any sales or advertising executive who is interested in participating in this new "Round Table" should communicate immediately with

SALES MANAGEMENT
420 Lexington Avenue New York City

Sales Letters

BY MAXWELL DROKE

The Penny-Wise Post Office

By the time these paragraphs get into print the most recent postal regulation, reducing local first-class rate from three to two cents, will have been in effect for a fortnight. I delivered a philippic on this theme at the time the move was tentatively suggested, some months ago. I still believe that as a basis for determining the advisability of a general reduction in first-class rates this action is likely to prove disap-



Maxwell Droke

pointing. I see little reason why the large mail users should kindle bonfires and throw hats in air in a spirit of general rejoicing. Local mail is necessity mail. The decrease in rate, I think, will have comparatively little effect on volume. True, when the rate was upped, a year ago, certain local mailers—public utilities, department stores, milk companies, etc.—began the delivery of statements, invoices and announcements by delivery wagon or messenger. I have talked with representatives of these companies from time to time. They tell me that their delivery costs are well under two cents, and that the proposed postal reduction on local mail holds little lure for them. I shall be surprised if many of them return to postal delivery.

This reduction is far from the action that bulk mailers have been seeking from the Government. As Homer Buckley points out, 90 per cent of all first-class mail is inter-city and inter-state. Possibly the local merchants may, in some cases, be disposed to say, "For this relief, much thanks." But the rest of us are still waiting, with our tongues hanging out, for the Department to give us a much-discussed break. I only hope that the failure of the current experiment (and I think it will fail) will not adversely affect the Postmaster General's attitude on a general reduction before the roses bloom again.

Building Believability

Probably the most common of all our letter faults is our failure to take the question marks out of the other man's mind. We make sweeping generalities and rush right on, unmindful of the fact that each statement is a challenge which must be amplified and explained if it is to be credited by the reader. It is easy to make claims; often difficult to make explanations. But it is only by giving the reader specific information that we can hope to build believability into our letters.

This sentence, lifted from a letter that has just come to my desk, is typical of the sort of thing I mean: "During the entire history of this business, we have constantly

Standing Invitation

Mr. Droke is always glad to criticize sales letters and direct mail messages for our subscribers. There is no cost or obligation for this service. Address him in care of SALES MANAGEMENT, enclosing a stamped, addressed envelope for reply.

introduced methods improving our products, until they are the very highest quality obtainable, and give unquestioned satisfaction wherever used."

Such assertions are likely to stir up a whole covey of question marks. What are some of the methods that have been introduced? How have they resulted in an improved product? What proof can be given to substantiate the assertion that this company's products are "the very highest quality obtainable?" And who says that these products give "unquestioned satisfaction?" In short, our lesson here is, Don't just say it, PROVE it!

For Exporters and Patriots

This year the historic Leipzig (German) Fair or International Industries Exposition faces a difficult situation, due to the chauvinistic attitude of the various countries of the world from which it commonly draws patronage. To offset this condition, Dr. Raimund Kohler, executive director, has lately mailed a letter to American merchants and manufacturers, which appeals to me for its spirit of reason and restraint. I submit it as an interesting psychological study:

"In the United States you say, 'Buy American.' In Great Britain it's 'Buy British.' And here in Germany we are hardly less patriotic. For the quick strengthening of financial bulwarks, it is often the policy of expediency to buy at home.

"Yet for the good of international trade—which likewise benefits us all—there are, fortunately, at all times, a wide range of products which must be bought 'abroad,' for the simple reason that they are not available in our home markets. And thus it is that the Leipzig Trade Fairs have endured without interruption for 700 years—through all the wars and economic upheavals of these many centuries.

"And thus it is that we are now completing our plans for the Fall Fair of 1933—confident that scores of American firms will here exhibit their wares—while thousands of American buyers inspect the offerings of all other civilized countries. The importance of the Leipzig Trade Fairs to the merchants of the world has enjoyed a steady growth, to a point where we now await with confidence—twice each year—the buyers from 72 countries and the sellers from 22 countries.

"Here in Leipzig are held the only truly International Fairs in the world. Here in Leipzig you will find the items, the ma-

terials, the machinery, or the semi-finished goods which your business needs now—for profit and in formulating your plans for 1934.

"A cordial invitation is extended to you to take advantage of the reduced travel rates to Leipzig this Fall. Combine with a fascinating vacation a most profitable visit to the Leipzig Fairs—to compare the products and the prices of the entire world. Thus, at first hand, you can learn which items can be bought best at home, combining profit with patriotism, and which items should be purchased in other world markets, where you can share in the wide profits of international exchange. . . ."

Dodging that "So What?"

A correspondent sends me this letter and asks for a prophecy as to probable returns. Assuming my familiar crystal-gazing attitude, I scan the missive as follows:

"Don't—please don't throw me away. For perhaps I'll be the means of saving you—money (it counts these days, doesn't it?) time (we never seem to have enough, do we?)

work (who wants unnecessary labor?)

"And savings like these mean more comfort—honest-to-goodness comfort—and more health—for old folks, young folks, and all.

"All this might sound like a mere claim, but it isn't. Tens of thousands of persons throughout the state—lots of them your neighbors—know I'm telling the truth. But this is no place for long-drawn-out explanations. If you want to learn more about saving, comfort and health just post the enclosed card. Jot down a convenient time and the man who wrote me will call.

"No obligation, of course, and thank you many times."

Well, I may be wrong. I not infrequently am. But if I read my crystal aright, this letter will flop. Why? Certainly its promises are alluring. A saving of money, time and work! Who could ask for more? But again we come to those glittering generalities of which we spoke in a preceding paragraph. Curiosity is an impelling force; but curiosity is aroused not by obscuring, but by *partially revealing* our secret. If I say to a man, "I know a way to save money," he is only mildly interested. There are lots of ways to save money. Most of us know ways of saving money that we haven't yet got around to the point of adopting. But suppose I go just a little farther and say to this man, "I know a way to save \$50 on your next winter's coal bill!" Ah, there's something specific! That coal bill has been on his mind. He has been wondering and worrying about it. His curiosity is aroused and he is eager to know more. In the same way, references to the saving of time and work should be interpreted in specific terms. If the writer feels that it is wise to hold back certain details of his proposition that is quite all right. But be sure to tell enough to stir the reader's imagination. Few persons, I imagine, would care to sign a card, inviting a salesman to call, without at least some intimation of his proposition.

Significant Trends

As seen by the editors of *Sales Management* for the fortnight ending July 15, 1933:

A Bluff That Worked

Many things have contributed to the amazing upswing in business, but the spark that set off most of the fireworks was the threat of inflation. The Thomas amendment gave the President the power to purchase three billion dollars' worth of bonds through the Reserve banks, to issue three billion dollars' worth of currency, to reduce the gold content of the dollar by one-half and to permit the free coinage of silver.

• • • We do not presume to predict how Mr. Roosevelt may exercise these powers in the future, but so far the mere threat has helped immeasurably in increasing basic raw commodities by an average of 50 per cent, in boosting the stocks in the *New York Times* average from 46.85 on March 2 to 97.94 on July 7 and in adding at least fifty billions to the paper wealth of the country. With the exception of trifling purchases of bonds, none of the inflationary powers have been exercised and there is no indication at present that they will be used.

• • • "Recovery will come, but it will be slow." That was the final gasping hope—almost a death rattle—of both the patient masses and the majority of industrialists, bankers, and economists a few months ago. How foolish it sounds now in the face of such developments as:

Re-employment—2,500,000 back to work now, 2,000,000 more scheduled for jobs under the Public Works program, and an untold number who will secure employment through the operation of the National Industrial Recovery Act.

Car loadings—For two months they have been running ahead of last year and for the latest week the upturn was 27.8 per cent.

Steel production—Output has jumped from a low of 13 per cent of capacity to 56 last week. The activity level now is higher than at any period since October, 1930.

Electrical output—An increase has been reported for nine consecutive weeks and for the week ended July 1 the output was 13.7 per cent greater than the same period last year. The greatest increases have come from the highly industrialized sections.

Bank deposits—Members of the New York Clearing House Association had deposits on July 1 which were $7\frac{1}{2}$ per cent greater than a year ago. Reports from other cities are equally encouraging. It is now estimated that only about 2.4 billions are tied up in closed or partially opened checking account banks—about one-twentieth of the total.

Bank debits—Now running consistently ahead of last year. This velocity of money is far more important than the amount of deposits.

Construction—Residential building contracts increased in June over May, and over last year. Private engineering construction is showing the first consistent upturn since 1931. Lumber orders in June were the heaviest since 1930.

Automobiles—Output in May was approximately 250,000

as against 227,000 in May and 190,000 in June last year. Production in the first six months was slightly ahead of last year. July schedules are heavy. Retail sales are so good that manufacturers of some of the low-priced cars are several weeks behind in orders.

Farm prices—July cotton, which sold as low as $5\frac{3}{4}$ cents when that month was first traded in, had risen to 10.34 on July 7; July wheat from 43 cents to $98\frac{3}{8}$; July corn from 25 cents to $61\frac{3}{4}$.

• • • The above list is by no means complete, but it is long enough and striking enough to indicate that the current business revival is likely to go down as the most spectacular in the history of the country.

Hours and Wages Only

The first codes for the major industries will in general deal only with wages and hours of labor, as exemplified by the Cotton Textile Code which becomes effective July 17.

This is contrary to the original understanding which industrial leaders had, and is responsible for under-cover criticism that they have been double-crossed by the Government. Executives thought they had assurance of protection against unfair and cut-throat competitive practices in return for giving higher wages and shorter hours; in other words, they were going to trade the latter for a change in the operation of the Sherman and Clayton Acts.

• • • The Administration's defense of the present policy may be summarized in the President's now-famous "We must do the first things first." This is an emergency. The Government is working against time, and, in an effort to save time, all other matters must be subordinated to the major task of getting the greatest possible number of men back at work in the shortest possible time. And the purchasing power of workers must be increased. This can be accomplished, it is argued, only through minimum wage and maximum hours of labor agreements along a broad front. The sacrifice to be borne by industry is likely to be temporary—and may not be a sacrifice at all.

• • • Industry at large will gain, and is gaining, through more sales, and more sales at higher prices. The smarter and best organized of the trade groups are putting many of their fair trade codes into operation without waiting for Government approval.

• • • The elimination of unethical and uneconomic practices will constitute the Government's secondary attack. In all probability this will largely be a formality, except to those groups which have irresponsibles and recalcitrants who can be forced into submission only by the Big Stick. The others are getting started now.

• • • Employment has increased but the gain has been much slower than the gain in production. From March through May employment gained 7 per cent; production 36 per cent. Inspired by improved business and the belief that much higher prices are in the offing, plant

owners in many lines have worked their men and machines overtime to build up a surplus. Current sales at retail, therefore, are a better index to the current health of the nation than are production statistics.

Believe It or Not

Our own Mr. Ripley, which isn't his name, sends us the fol-

lowing news items from Chicago. We have no reason for singling out that city as a bright spot, as equally good reports are coming out of other cities, but we were intrigued by the item about the National Cash and are curious to know how they did it:

• • • The Oriental Theatre, Chicago, reports a record week in the opening of "Gold Diggers of 1933." The figures show more than 125,000 paid admissions in seven days. The previous high record was made with "42nd Street," which played to 101,245.

• • • *National Cash Register Company reports the best week of business in its entire history at its Chicago office.* This was in the face of the withdrawal of its second-hand machines from sale.

• • • Marshall Field & Company, wholesale, has increased its in-and-out freight car movement approximately 600 per cent over the winter record. It had been laying off men gradually over a period of three years, but last week added 50 men to its staff. The retail store added 35 delivery chauffeurs on July 1. Every Marshall Field mill, manufacturing cotton textiles, blankets, hosiery, pillows, towels, etc., is working on a 24-hour basis, six days a week.

• • • Jacob Schu, president of Kabo Corset Company, Chicago, reports that he has just placed the largest order for raw materials in the history of the company. The company is fifty years old.

• • • The Stevens Hotel, largest in the world, and in receivership, is not only operating in the black now, but turning them away every day.

• • • Post office receipts for June were 18 per cent ahead of last year.

• • • June loadings on the C & N W were 98,833 cars as against 83,892 last year. Other roads in the Middle West report similar good showings and the Regional Shippers' Advisory Committee predicts that third quarter loadings in the Great Lakes region will be 129.8 per cent of last year, and 134.7 in the Northwest.

The State of Trade—Retail

the combined showing of Woolworth, Grant, Kresge, Montgomery Ward and Sears Roebuck was a gain of 7 per cent. Department store sales for June were 4 per cent smaller than last year; for the half-year the decline was 15 per cent.

• • • Reports from Federal Reserve districts covering sales for June, and stocks on hand, indicate marked im-

provement in business and a scarcity of stocks on hand. For example:

	Department Store Dollar Sales June '33 with '32	Department Store Stocks on hand May '33 with '32	Retail Car Sales May '33 with '32
Boston	-5		
New York	-5		
Philadelphia ...	-4	-17.8	+ 3.2
Richmond	-7	-14.8	
Atlanta	-3	-24.8	
Cleveland	-1		+40.6
Chicago	-5	-19.5	+15.9
Minneapolis ...	-3	-18.0	
St. Louis	+1		
Kansas City	0	-20.2	
Dallas	+3	-14.2	
San Francisco ...	0	-21.5	+16

• • • Three months ago when we started to report on the percentage of quota realization by the Electric Refrigeration Bureau, only a scattering of states were up to quota and the national average was 67 per cent. But business took such a turn for the better in April and May that the five-months' national percentage is 108.6 of quota. Twenty-nine states ran ahead of the budget.

• • • Frigidaire, for example, finds business so much improved that instead of slacking down on promotional efforts for the second half of the year—a normal procedure because of the seasonal element of the business—they are starting today a greatly augmented campaign in 600 newspapers and over 54 radio stations.

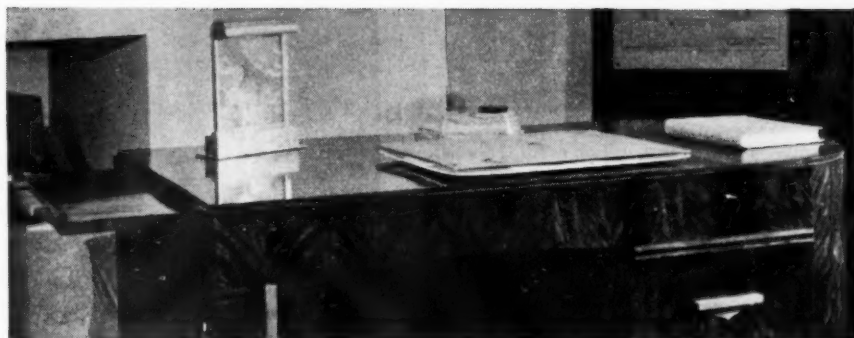
• • • From Automobile Row come reports of staggering increases in sales, and a dealer check-up last week showed an actual shortage of certain cars. General Motors' June sales were 117 per cent ahead of 1932. . . . Plymouth's production for the first six months was ahead of the entire 1932 year, and dealer sales have broken all previous records for nine successive weeks. . . . Hupp's factory shipments in June were 18 per cent ahead of last year. . . . Hudson-Essex' retail sales were 158 per cent of last June. . . . Pontiac was up 74 per cent. . . . Oldsmobile 87.6 per cent . . . and so they go.

• • • Certain it is that automobile sales have exceeded the expectations of the makers, for seven months ago the production and sales estimates for the first half of the year in no case exceeded the 1932 figures. The National Automobile Chamber of Commerce estimates June production (excluding Ford) at 195,178 units, which is an increase of 104 per cent over the same month last year, and 13.2 per cent more than this May. For the first half of the year production was 800,290 units, again excluding Ford, against 680,218 last year.

• • • For the first time on record May showed greater sales of hotel rooms than April—an advance of three points in contrast with a normal decline of the same per cent.

• • • Who are the best paid workers? A survey made by the National Industrial Conference Board among 25 industrial groups showed that the highest average weekly earnings were made by printers employed on newspapers and magazine work, followed by book and job printers, and employes in factories making automobiles, paint and varnish, meat packing, rubber, electrical goods, leather tanning and chemicals. The most poorly paid workers were in the various sections of textile manufacturing.

During the palmy days, company presidents conceived the idea of clean desks. It was a mistake for them to waste time on details. Now they've been passing the work on for so long that many are completely out of touch with their customers and their own working methods—a condition which will have to be radically changed if they are to steer company affairs intelligently under the new government program.



Can Stuffed-Shirt Presidents Survive Under the New Deal?

When President Roosevelt signed the National Recovery Act, he tossed into the lap of every company head a new batch of business problems which cannot be solved in any way other than through the president's active personal effort and intensive personal leadership of company affairs. There won't be room for the idle show-piece executive.

BY SAUNDERS NORVELL

*Former President, Remington Arms Company,
New York City*

TAKING it for granted that the new Industrial Recovery program will work out as planned, it is interesting to meditate on the changing functions of marketing that must necessarily take place under an established code.

First of all, it seems there must be a change in the conception of management of the matter of size and expansion of business. According to the code, there is a natural share of the total business in your industry that your concern should have. Many executives fully realize that their efforts to sell more than their share of the total business in an industry, even before the debacle of 1929, proved to be unprofitable. At the height of the seeming prosperity of 1929 this writer, commenting upon large volume without profit, coined the expression "profitless prosperity," which has since been used by so many business and financial writers.

Credo of the Clean Desk

It has been found, to the grief of many, that mere bigness has proved to

be unprofitable; first, because of forced and unnatural sales at cut prices, confidential rebates, special concessions in terms, freight allowances, and extra selling help in the form of missionaries, which ate up a large part of the extra profit as a result of increased volume. Then inside the business this conception of bigness led to inefficiency and extravagance. Top officials conceived the idea of clean desks. It was a mistake for them to waste their time on details, the idea being a great executive was to pass the work along to others. Some of these great executives, however, after having passed the work along, did not take the time and trouble to check up to see how the work was done by their subordinates. The matter of training both salesmen and inside employees was overlooked. Going into a lot of small details was exceedingly tiresome. The great executive washed his hands of these things. His idea was to take care only of big deals and very large accounts that would make an immediate *volume showing*. Just what these big deals cost, and just how much money net

was made on these large accounts, did not seem to matter. The figures were overlooked. The whole answer was that this business increased volume, and large volume was a standard by which the success of the business was gauged. In other words, in the boom days the old idea that the value of a business was based upon the net profits it could earn was lost in the bigger and better idea that the success of the business was measured by the amount of its volume!

He Marked Himself Down!

Then came the squeezing, pincers-like pressure of one year of depression following another, with its drastic decrease in volume of business. Many executives under this pressure still turned to their former large accounts for help. These larger buyers, naturally, took advantage of a buyer's market. They did not hesitate mercilessly to use the chisel, and so in getting this business a loss of profits was added to a loss of volume. Then these large buyers, having secured inside confidential prices, in order to keep up their volume passed these confidentials along to their trade; but smaller customers of such manufacturers coming in direct contact with these larger customers found they could not compete and make any profit. Therefore, they in turn came to this large volume manufacturer asking for further concessions to meet competition. So the established standard of prices, being chiseled from all sides, gradually went down so that profits not only completely disappeared but huge losses took their place.

A friend of the writer's, calling one day in the latter part of 1929, cheerfully boasted that a few years before

How Will the President's Job Change under the National Recovery Act?

The top executive who formerly:

1. Appeared often only by proxy in intra-industry meetings and conferences
2. Planned his business course only in terms of broad, general policies
3. Gave attention largely to expansion of business, either domestic ("national distribution complex") or overseas (shot for nobody knows how long)
4. Gave little attention to customer relations, except on very large accounts
5. Overlooked opportunities to make use of non-selling employes on the sales side of the business
6. Gave only cursory attention to product design and other means for trading up and establishing competitive advantages on other than a price basis
7. Left the man-building side of the marketing work largely to the sales manager
8. Tolerated advertising that was in many cases too general and too full of pretty pictures, as opposed to advertising that was given a definite sales job to do
9. Passed on what are truly presidential functions to subordinate officers
10. Failed to take stockholders into his confidence sufficiently to retain their support

Will now probably have to:

1. Become the personal spokesman for his company, actively taking the helm until he knows exactly where his business is situated under the new Government regime
2. Plan in terms of specific courses of action
3. Forget his megalomania and center attention on refinement of methods of doing business within its present scope in domestic markets
4. Get closer to customers—especially retailers and consumers—by personal contact and *with selling ideas*
5. Go systematically about building sales-mindedness throughout his entire organization
6. Do some heavy thinking about putting into his product those "plus values" which give it a marketing advantage in a situation where price no longer enters into the picture
7. Take a new interest in the type of man who represents the company in the field. Sales ability and personality are going to count more now that price is being subordinated
8. See that advertising becomes more specific and direct, and that the sales organization does a better job of merchandising it
9. Discharge presidential functions himself so that each subordinate officer can handle the job he was originally assigned to handle—not left-overs from the president's desk
10. Undertake the job of re-selling stockholders in his company so as to eliminate the unrest and distrust which has sprung up during a period when dividends were at a new low or were missing altogether

he had started as a broker on a shoe-string, but now he was worth a million dollars. He built himself a handsome home. He kept up several automobiles. He had a butler and a chauffeur and his wife had her French maid. This family before had lived in just comfortable circumstances, but when prosperity came they "arrived." They thought the new conditions would last forever. The slump in the value of stocks and bonds hit this family hard. Almost overnight their wealth disappeared. All they had left was a huge home entirely too large for the family wants. Now this friend again called on me, smiled cheerfully, and remarked: "We had a grand time while it lasted, but I have now *marked my-*

self down and we have made another start in life." He could not sell his home at any reasonable price. He has kept it, therefore, but the butler, the chauffeur and the French maid have all disappeared. My friend is driving his own car. His wife is doing the larger part of her own work. They accepted and adjusted themselves to the situation. They did it cheerfully. His business is now better. He says—"Watch me, I am coming back."

The above story of an individual experience—which, of course, is not only common but has been almost universal—applies directly to business. The volume of business counted upon must be cut down to present conditions. We must mark ourselves down.

The writer happens to know that in one industry where men got together and compared notes and exchanged figures on sales the total volume in this business for the whole United States from 1929 was twenty-one million dollars. In 1932 this total volume for the entire country had shrunk to twelve million dollars. Now, until these manufacturers compared notes, each was under the impression that he was losing business because his competitor was taking it away from him. When they did compare notes they found that their proportionate share of the total business being done was just about the same in 1932 as it was in 1929. All the cutting in prices they had done, (Continued on page 90)

Will an Open-Price Agreement Tide Your Industry Over the Waiting-for-Washington Period?

GENERAL JOHNSON, Industrial Recovery Act Administrator, in an interview on July 3, suggested that industries might operate on an open-price association basis until the problem of prices had been settled by their codes, as eventually approved by Washington.

That statement of General Johnson gives many industries an immediate relief to their current jumbled price situation, and it is the purpose of this article to show how such an open-price arrangement may be put into effect immediately and operated successfully without the dangers of price extortion.

The open price makes it difficult for the chiseling buyer. Under the old system of secret prices, Firm A quoted the buyer his price. Buyer told Firm B that A had underbid him. So to be on the safe side, B underbid A. C underbid B, and so on with prices going down, down, down. Now, however, if an industry operates its open-price system successfully, B has only a temporary advantage in underbidding A, because as soon as A finds out B's bid from the published quotations, A can underbid B. Putting prices out in the open this way automatically helps to stabilize them and quickly shows up the predatory price cutter.

Before General Johnson's pronouncement made open-price associations legal, several industries operated

a somewhat similar plan in one of two ways:

Certain industries that sold through the regular channels of trade (consumer merchandise largely) used their trade association as a place to file their prices on the basis that those who played along and filed their quotations received in return similar information on their competitors.

Certain industries selling direct to their consumers worked a "proportional participation" arrangement. This was operated by a commissioner who was confidentially entrusted with figures on the sales of cooperating companies for the past three or so years. On the basis of these sales he apportioned each member with his allowable total volume for the year. Weekly or monthly data on sales volume and prices were filed with this commissioner. Thus, if he discovered that Member A, who was prorated 10 per cent of the industry's volume on the basis of his past three years' sales, was falling behind to only 9 or 8 per cent, he sent word out to the other members of the group to "spot" this member a bit on price, allowing him this price advantage to catch up. As soon as his sales came in line with his allowable, this advantage was taken away from him. This technique frankly skated on thin ice as far as the law was concerned and was consequently usually

operated by a lawyer. Such a scheme obviously wouldn't work in an industry where the customers bought continuously from the same sources of supply, as contrasted with the building industry, for instance, where customers came in and out of the market. Giving one member a price advantage in the former cases would allow him to upset the applecart and dislodge long-established contacts with distributors, wholesalers, etc.

To form an open-price association in your industry, settle on a clear definition of what you mean by "open price." Arthur Jerome Eddy, who invented the name "open-price association" and fathered the whole idea, has given this definition of an open price: "An open price is a price that is open and aboveboard, that is known to both competitors and customers, that is marked wherever practicable in plain figures on every article produced, that is accurately printed in every price list issued—a price about which there is no secrecy, no evasions, no preferences. In contract work it means that every bid made and every modification thereof shall be known to every competitor for the order; it means that even the cunning and unscrupulous competitor may have this information. The open price is neither secret nor fixed."

Once the definition is settled, the
(Continued on page 91)

General Johnson's O. K. of open-price arrangements gives many industries an excellent opportunity to achieve some state of order out of the price chaos which is befuddling nearly everyone. What an open price agreement is and how it can be operated to mutual advantage is outlined here.

As told to Herbert Kerkow

BY

R. O. EASTMAN

R. O. Eastman & Company,
New York City



Photo by Anne Shriber, N. Y.

Under an open-price arrangement, the crafty buyer who plays one salesman against another to drive prices down is outwitted.



Walter Disney's beloved character has gone to work as a salesman for more than thirty manufacturers. And now Mickey Mouse is creating new advertising accounts and opening up new sales channels for everything from ice cream and wrist watches to pajamas, shoes and draperies.

Mickey Mouse—Salesman

BY
BRUCE
CROWELL

FIVE years ago Walter Disney, a young cartoonist of Kansas City, was curtly dismissed from every motion picture studio in Hollywood as just another nut with a freak idea. He had a cartoon character he called "Mickey Mouse" and he thought there might be an opportunity to use it in a series of animated movie shorts.

Disney finally persuaded a small, independent producer to turn out just one single picture. It made a little money. They produced another. And it wasn't many more months until Hollywood's unbelieving ears were hearing tales—true tales—of moviegoers who phoned local theaters to ask not about the feature picture, but to inquire if Mickey Mouse was "on."

Since that time Mickey Mouse has become a world character, as widely known as Mahatma Gandhi, Henry Ford, or Charlie Chaplin. Per minute of showing, theaters pay more for Mickey Mouse than for Greta Garbo.

All of which is by way of a prelude to this story—which is really about merchandise and not about movies.

Between two and three years ago Walter Disney began to license manufacturers to use "Mickey Mouse" as a brand name, with the well-known figure of Mickey himself as a trade character. So steadily did this business mount up that a special company in charge of Kay Kamen was formed to take care of it. Today some thirty-odd manufacturers are using Mickey Mouse, all of them in different or at least non-competitive fields.

Manufacturers are licensed on a royalty basis, usually for a year's period, with an option of renewal. In some cases the channels of distribution are specified, as, for example, Seneca Textile Mills, who are licensed to make drapery materials by the yard for sale through retail stores only. They

cannot sell to other manufacturers for fabrication.

In every case only reputable manufacturers are selected for licensing, and the character of the goods turned out under the trade-mark is rigidly checked. In some instances definite standards are set.

One of the oldest and most successful Mickey Mouse promoters is Southern Dairies, subsidiary of the National Dairy Company, which operates throughout the southeastern states, from Maryland to Florida, and on the west, to Alabama and Tennessee. They introduced Mickey Mouse ice cream in individual containers on April 26 of this year, and E. J. Mather, president of the company, is authority for the statement that 30 days after the introduction the company enjoyed its first tonnage increase in 33 months. And 85 per cent of the business done was done on Mickey Mouse cream. This same company will shortly introduce Mickey Mouse cottage cheese.

The Ingersoll-Waterbury Company, Inc., selling agents for Ingersoll watches, have four Mickey Mouse items now—two watches and two clocks, retailing from \$1 to \$2.50. Macy's, New York, grabbed the watches almost as soon as they came on the market for a special promotion involving one whole window on 34th Street. (See illustration.) "It is still too early to say what we might expect of sales on these items," one of the officials of Ingersoll told SALES MANAGEMENT. "However, in a period when re-orders have been running far

between, we are already enjoying calls for additional stocks and the first shipments were made less than a month ago."

At least two of Fifth Avenue's most distinguished jewelers (including Udall & Ballou) have Mickey Mouse charms retailing at from \$90 up. A number are said to have been sold at this price and you can believe it or not as you choose. Mrs. Percy Rockefeller bought one, we're told.

Among other licensees are Barman Brothers, Buffalo (dresses and pajamas); Ely & Walker, St. Louis (girls' dresses); Power Paper Company (stationery, school tablets, etc.); Joseph Dixon Crucible Company (pencils and pencil boxes); Brandle & Smith (hard candies); Wilburt Suchard (chocolates); Palmer Brothers (spreads, drapes and comforts); Truett Brothers (children's shoes); Ohio Art Company (sand pails and related toys); Hickok, Rochester (belts, coats, garters); Einson-Freeman Company (masks); Kaynee Company, Cleveland (boys' wear); D. H. Neumann Company, New York (ties).

A chewing gum manufacturer has a rather unique twist on a penny gum which is just being introduced. With a stick of gum a child gets a small Mickey Mouse picture showing the character doing something. On the back is a question, "What is Mickey Mouse doing? If you want to know the answer, you'll find it on the next number in this series."

Twenty-six pictures make up each series and each is, of course, numbered.

As is usually the case with other potentially good ideas, the manufacturers who have done a good job of advertising and merchandising on the items carrying the Mickey Mouse identification have been the most successful in building sales. Southern Dairies, whose record has already been

commented on, laid out a well-knit campaign employing many media.

While many frozen novelties have been in the market in the Southeast, quantity instead of quality was usually the principal attraction. Southern Dairies felt that there was an opportunity for a cup-cream made of the best quality of dairy products and flavored with true flavors. Such a product might be expected to win the support of parents who were watchful of their children's health. And the Mickey Mouse brand name was almost sure to win the attention and interest of the children who were the buyers.

To introduce the new item to dealers, a definite plan of approach was laid out which included a giant "Mouse-A-Gram" (from Hollywood, signed by Mickey Mouse), and a broadside outlining the ice cream campaign and giving notice of forthcoming newspaper advertising. Reproductions of window strips, posters and window displays which were to be

furnished were featured. Next the dealers were sent a letter announcing the "World Premier" of Mickey Mouse Ice Cream In-a-Cup. With the first stocks, dealers were supplied with display material which featured colorful drawings not only of Mickey, but also his celebrated company of screen stars: Minnie Mouse, Clarabelle Cow, Pluto the Pup, and Horace Horse Collar.

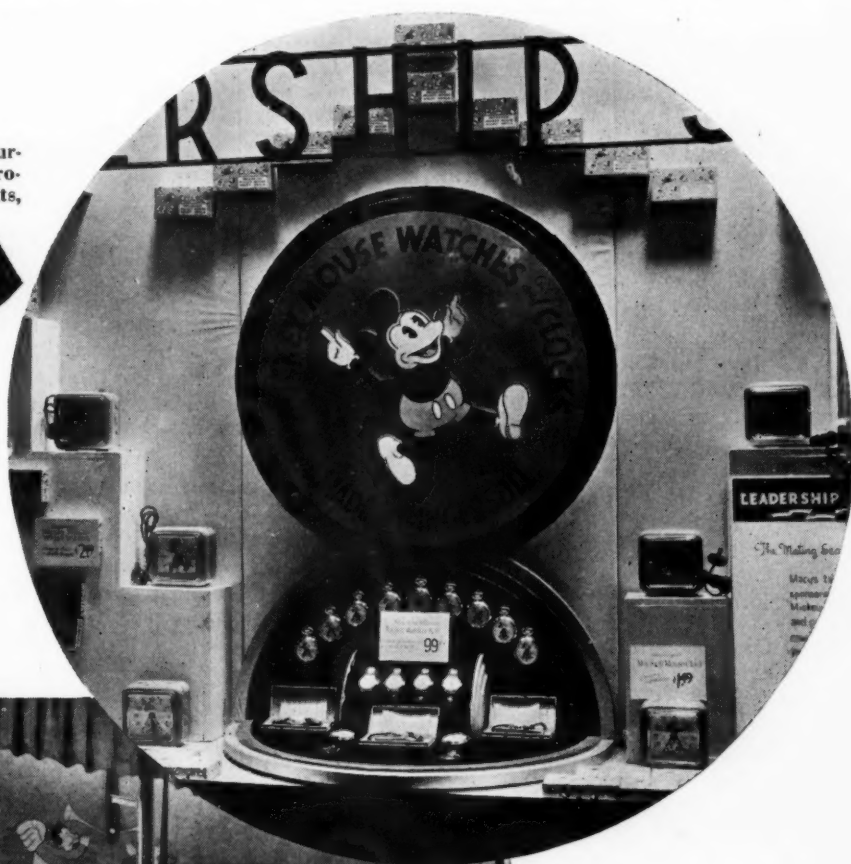
Mickey Mouse play money, in denominations of ones, fives and ten, was also a part of the promotion picture. With the purchase of each cup a piece of money was given to each youngster. Mickey Mouse costumes were purchased and furnished to dealers to be worn by a boy or girl in or in front of the retail store to attract attention and lend a bit of showmanship to the introduction.

The fact that local theaters were showing Mickey Mouse pictures gave a good opportunity for theater tie-up which was not neglected by Southern Dairies. Theaters featured, through their own advertising and screen trailers, the fact that a special Mickey Mouse Saturday morning show would be held for the children and each child attending would receive a Mickey Mouse cup free. The merchandise was, of course, sold to the theaters at a quantity price. Thus the promotion proved mutually beneficial to both theaters and Southern Dairies.

Just as Southern Dairies came out with the Mickey Mouse cup in Miami, the Mickey Mouse Clubs there, sponsored by local theaters, were putting over a popularity contest to see who was the most popular club member.

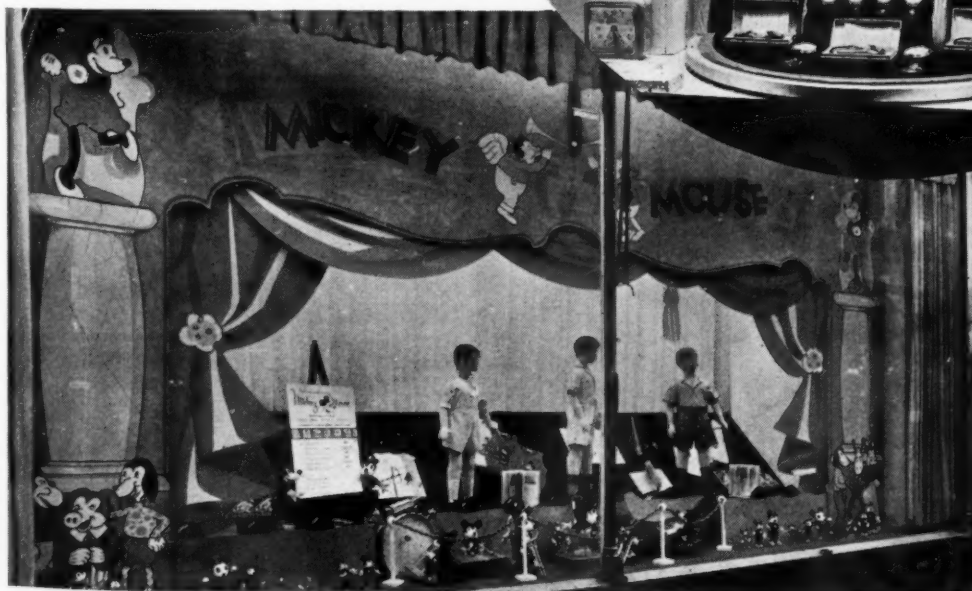
(Continued on page 85)

Mickey Mouse appears in current Hickok advertising to promote their new line of belts, garters and jackets.



(Above) In their recently promoted Leadership Sale, Macy's gave a full window to Ingersoll's new Mickey Mouse line of clocks and watches. Said the window card: "Macy's takes pleasure in sponsoring the union of Mickey Mouse with Ingersoll, and presents the happy couple proudly and appropriately in June."

(Left) Saks & Company's window builds sales on Kaynee's line of boys' clothing now being sold under the Mickey Mouse name.



Liggett Losses Shatter Dominance of Drug

BY LAWRENCE M. HUGHES

IF A. H. Diebold ever cherished the dream of establishing over the drug industry a holding company comparable in size and power with John D. Rockefeller's and James B. Duke's old oil and tobacco trusts, the weight of adverse circumstances—and not the decision of a Federal court—has acted to rid him of it.

Mr. Diebold, president of the \$150,000,000 Drug Incorporated, has asked the stockholders to meet August 7 to dissolve it.

The action will be the more extraordinary when it is considered that Drug on the whole is not merely solvent but making money. Mr. Diebold is no Samuel Insull nor Ivar Kreuger actuated by a desire to take everything in sight. He is a cautious individual, more concerned with the sales and profit capacities of concerns than with the manipulating of securities. He has confined his acquisitions to companies selling through drug stores—companies all but one of which are operating profitably now. Primarily to free his stockholders of the responsibility for this one, Mr. Diebold now seeks to dissolve the whole.

The one is United Drug Company, next to Mr. Diebold's "own" Sterling Products, Inc., the largest in the group.

Growth of an Empire

Mr. Diebold and Louis K. Liggett, of United Drug Company, came together in 1928 to form Drug Incorporated. Sterling was the largest factor in drug store product manufacture. United, owning 700 Liggett stores and serving some 11,000 Rexall agency drug stores in this country and controlling the 900 Boots drug stores in Great Britain, had a valuable distributive contribution to make to the combination. The holding company grew—taking in Bristol-Myers Company, Vick Chemical Company and Life Savers, Inc., profitable and aggressive concerns all, until annual net income rose to more than \$20,000,000.

But the stores' contribution to this income—only 20 per cent of the total in 1929—became less and less with the depression, and presently disappeared altogether. The Liggett stores acquired control of the Owl stores in the West, and several local chains;

sought to have a store on every busy corner location in the country—and signed some high, long-term rental contracts.

With the depression, the manufacturers, already making much higher profit margins, were better able to pare their costs. Liggett rentals, however, were becoming increasingly a thorn in Drug's side.

In this magazine, last January 15, appeared a chart of the operations of Drug, with United on one side and Sterling (including Vick, Bristol-Myers and Life Savers) on the other. The question was asked, "Is Drug Disintegrating?" It was pointed out that the manufacturers in the combination were being heavily "taxed" to support the United Drug part of it.

To Vote for Rebirth

On June 30 Mr. Diebold answered our question in the affirmative. Drug is disintegrating. Mr. Diebold asked stockholders to vote favorably on a plan for a rebirth of Sterling, United, Vick, Bristol-Myers and Life Savers as separate companies. Drug's directors, he said, unanimously recommended this action. Mr. Diebold outlined "reasons" for the dissolution, but they were not very specific. He mentioned that "national and economic events have

moved rapidly recently"; that there is developing an "entirely new set of conditions"; that the "unique character of the drug industry is such that independent units can function more effectively than under the sole ownership of a holding corporation such as Drug Incorporated, which contains subsidiaries and sub-subsidiaries, each with diverse problems and objectives."

Bigger Reasons?

These problems and objectives, Mr. Diebold neglected to add, were quite as diverse in 1928 and '29. There must have been more precise reasons. For example:

1. The other four units are still making money, while United Drug is rather deeply in the red; and

2. Though the Federal Administration has just relaxed the anti-trust laws to encourage, on occasion, larger and more effective operating units in industry, it may not wish to encourage large holding companies, intended to take the profits while the sub-companies do the work.

Drug, incidentally, already has shown a desire to cooperate in the Recovery Program. Dr. W. E. Weiss, its vice-president and general manager (and long an associate of Mr. Diebold in the Sterling end of the combination), has been an important factor in the launching of the new Drug Institute, and is busy with its codes and practices. Perhaps Drug is being dissolved, in part, so that it will appear not to have so much influence in what the codes say and in how they are enforced, and in the process to frighten away the 35,000 individual members of the industry which Wheeler Sam-

(Continued on page 89)

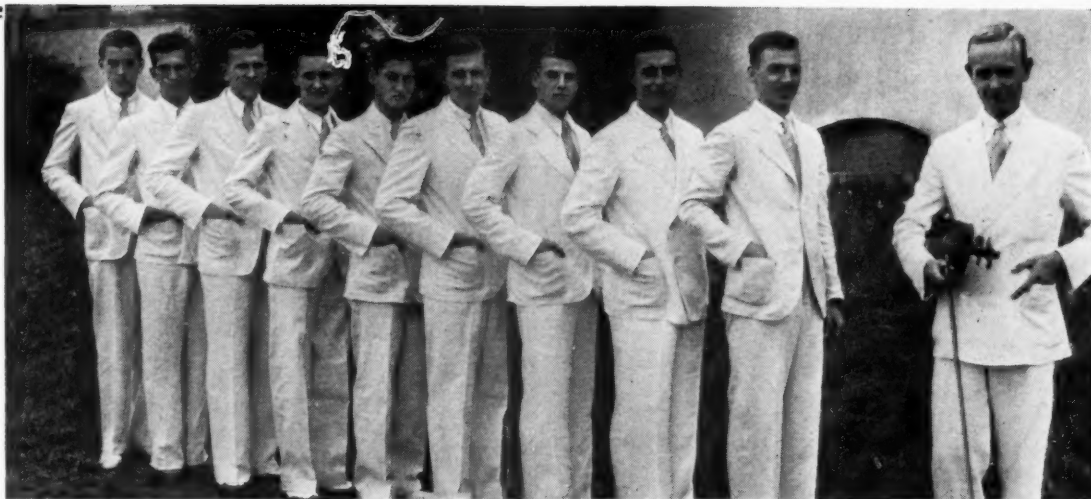


London Opinion

"One of our travelers booked a forty thousand pound order yesterday."

"Don't swank."

"Gospel truth. I'll show you the cancellation."



Thanks to Bill's (third from left) salesmanship, all these boys have jobs this summer.

Bill Brings Home the Bacon

ONE of SALES MANAGEMENT's readers-of-long-standing is J. H. Parish, sales manager of Igleheart Bros., Inc., one of the units of General Foods.

A week or so ago Mr. Parish sent us a copy of a letter he had received from one of his salesmen, E. F. Skidmore, who lives at Columbia, S. C. This letter—and Mr. Parish's comment—are both so interesting that we are passing them on.

Mr. Parish writes:

"It has been my custom in the past to order quite frequently enough reprints* from SALES MANAGEMENT to send to our salesmen. . . . The purpose of this is to attach a copy of a letter which I received from our salesman, E. F. Skidmore.

"I was so impressed with the manner in which his son, Bill Skidmore, 'brought home the bacon,' that I was prompted to send it along to you.

"I thought so much of his experience for its inspirational quality that I have already had copies made and am sending them to all of our men."

And here is the letter from Skidmore, Sr., which Mr. Parish enclosed:

"About a month ago, you sent me an inspirational bulletin. This bulletin stated that firms were hiring young salesmen because their very youth kept them from knowing that 'things simply could not be done.' You wrote on the bulletin 'something for an old man to think about.' On first reading, this bulletin peeved me—probably because there was so much truth in it. Frankly, I was antagonistic to the spirit of this bulletin, and in consequence I read it time and time again.

"Recently I witnessed a very clear-cut demonstration of the message of this bulletin, and because you have been so interested in Bill, I am going to sit here this evening and sweat and write to you about it.

"For the past two months, Bill has been writing letters to steamship companies, summer resorts, etc., trying to get a job for his orchestra. I could have told him he was wasting his time

and stamps. He received many letters saying 'no' in polite language and Old Man Skidmore just knew he would not be able to get a job when so many big, well-known orchestras were out of work.

"But I did not discourage him. In fact, I don't believe I could have. About ten days ago, I learned that the big million dollar hotel 'Ocean Forest,' at Myrtle Beach, S. C., was to be reopened after having been closed for three years. I mentioned this to Bill and was immediately sorry I had, for he at once sat down at his typewriter and wrote a letter. I figured it would be just another disappointment.

"When I was in Florence, last Monday, I was told that an orchestra from that town had secured the job, and taking the 'Old Man's' view, I thought that ended the matter. When I got home last Friday night I learned that Bill and two other boys had borrowed a Ford and were going to Myrtle Beach on Saturday to see about the job. They left at 5 o'clock Saturday morning, drove 180 miles to Myrtle Beach, drove 180 miles back, and were home at 5 o'clock *with the contract*.

"Bill has turned over the direction of the orchestra to Jimmy Blease and it will be known this summer as 'Jimmy Blease and His Ocean Forest Orchestra'; Bill is business manager. The Ocean Forest Hotel is the best in this section. This job is 'the cream of the crop.'

"You were kind enough to say that I set a good example for my boys. I believe now that I can say that if there is any truth in the bulletin you sent me, Young Bill has set a good example for the Old Man.

"Sure—there's lots of fatherly pride in this letter, but even more, I think there is a confession that an old-timer *can* learn something from the younger people with their 'don't know it can't be done' spirit.

"However, with an old man's bullheadedness, I still think *this* Old Man can sell flour.

—BILL."

*One-page messages to salesmen, printed from time to time in SALES MANAGEMENT.

Spot News on NIRA

NIRA developments during the fortnight which have a bearing on the development and operation of codes in all types of industry include:

Basic Purposes:

To put more people to work; to give them more buying power; to insure just rewards for both capital and labor in sound business enterprises, by eliminating unfair competition. The converse—what the Administration is *not* trying to do—was explained last week by Donald R. Richberg, general counsel to the NIRA, as follows:

"We are not trying to establish public management of private business.

"We are not trying to fix prices or wages by government orders.

"We are not trying to unionize labor by Federal command.

"We are not seeking merely to encourage a brief business boom—in a word, we are not trying to revive the 'Follies of 1929.'"

Speed of Action:

Guided by its experience with the Textile code, the NIRA administration assures other basic industries of early and practically simultaneous action. Several public hearings can be conducted at once. Consolidated hearings may be held upon codes affecting related industries.

When the Government May Step in:

In the speech before the Merchants' Association of New York by Mr. Richberg, and approved in advance by the President, he said, "One of the primary purposes of the law is to avoid any necessity for government control of business; to encourage private initiative; to rely on self-discipline; to put faith in voluntary, collective agreements as the means of fixing and stabilizing human relations in and between units of industry. *It will be only the failure of our industrial leadership to accept its great opportunity for self-service, combined with public service, which may bring into play and make necessary the exercise of those reserved powers of government which are described as dictatorial, but which are in fact only powers of self-preservation.*"

Is It Socialism?:

Again quoting Mr. Richberg, "No man who had an active part in drafting

the act, or will play an active part in its administration, is seeking the political socialization of industry. But unless industry is sufficiently socialized by its private owners and managers so that great essential industries are operated under public obligations appropriate to the public interest in them—the advance of political control over private industry is inevitable."

Intrastate Business:

The act applies to businesses engaged solely in intrastate trade if they compete with enterprises operating in interstate or foreign commerce.

Multi-Industry Businesses:

It is probable that enterprises may be subject to, or may make themselves subject to, the parts of two or more codes, determined by the diversity of the products manufactured.

Voting Power:

All matters relating to the organization of industry will be determined by the members of the industry and not by the administrator. Indications are that voting strength within an association will be based on *both* individual membership and volume of business.

Policing:

All reasonable means, including the posting of bonds or deposits, may be employed by an industry in enforcing its codes.

Arbitration:

Many associations are inserting this clause in their code:

"Any controversy or claim arising out of or relating to this contract or the breach thereof shall be settled by arbitration, in accordance with the Rules, then obtaining, of the American Arbitration Association, and judgment upon the award rendered may be entered in the highest court of the forum, state or federal, having jurisdiction."

The association maintains a permanent panel of arbitrators, located in more than 1,600 cities.

Non-Members:

Membership in a trade association is not compulsory; but as the enforcement of an industrial code is in the interest of the entire industry, it is

likely to be held that each non-member may be required to pay his proportionate share of the cost.

Resale Price Maintenance?:

A possibility, but nothing definite yet.

Food Industries:

The President has delegated to the Secretary of Agriculture all powers contained in the NIRA relating to foods and foodstuffs, milk and its products, tobacco and its products—except those provisions relating to hours of labor, rates of pay, and other conditions of employment.

White Collar Workers:

"The white collar class is a very great concern of the administration," a spokesman said last week, "and although they are not organized, as is labor, they will be properly represented in the partnership."

Excerpts from Unfair Practice Codes

Price Guarantees:

The butter industry code calls "guaranteeing a customer against a market decline or protecting him against a market advance" an unfair trade practice, but another unit of the grocery industry—the National Preservers Association—is more liberal, "a manufacturer may guarantee his price against his own subsequent price decline, but it shall be deemed an act of unfair competition to guarantee his price against the decline of his competitors' prices."

Free Deals:

Practically all tentative codes in industries which have used them contain clauses banning "free deals of any nature whatsoever" or "the giving of an allowance where purchase of ——— is made in combination with any other product or commodity."

Advertising Allowances:

"Giving any advertising allowance, except the reimbursement of the purchaser for the actual cost of advertising the seller's brand, such costs not to exceed the standards to be determined from time to time by the association."

(Continued on page 85)

They Burned BRUNO for Looking through a TELESCOPE

THE Lord may have created the heavens and the earth, announced astronomer Giordano Bruno to Sixteenth Century Venice, but they're a mere drop in the bucket of creation. . . . There are innumerable worlds floating about through space. . . . Many of them are far greater than our own. . . .

Graybeards glowered. This was heresy. The Bible admitted of only one heaven, one earth. . . .

Rubbish! fired back Bruno, the Bible is a moral work, not a scientific one.

They threw Giordano Bruno into prison.

After eight years' solitary confinement, they burned him at the stake.

BUT no burning could destroy Bruno's teachings.

In scattered, secret places, increasing numbers read his works, carried on his researches.

Reactionary thinking, even today, persists in many quarters of the Christian globe; but the march of the liberal spirit is irresistible.

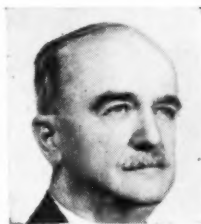
There will always be hope for the progress of the world because there will always be a strong group of young, liberal minds in every community of the world. Here, the tender bud of the new idea will be examined without the prejudice of hardening arteries. Measured by the needs of the times rather than by the practices of tradition. Guarded against the sneers of radicalism as well as the frowns of conservatism. Here, the new philosophy, the new discovery, the new invention will find an established group to support it with the weight of their numbers. And bring it into the practical use that will qualify it for acceptance among the traditionally-minded remainder.

IN America, as in every other nation, these young, liberal-minded men and women lead the way. For the manufacturer, they constitute the true primary market. Through them and their ready support, the new breakfast food or electrical appliance may find the way to the acceptance of the more conservative millions.

And in America it is Liberty magazine, appealing to the young, liberal minds from Maine to Oregon, that offers the manufacturer his direct introduction to this primary market.

Companies which advertise to keep old customers will do well to keep old media. But companies interested in introducing their story of new efficiency, new quality, or new service to new millions, are invited to swing country-wide adoption through the young, liberal leaders in Liberty magazine.

These will buy most readily. These will buy first. And these, buying, will start the new idea on a fair way to becoming a national tradition.



JULIUS ERNEST KAMMEIER, LL.D.
MANHATTAN, KANSAS

Professor of Economics, Kansas State College

PROFESSOR KAMMEIER WRITES TO LIBERTY:

"I CAN commend the liberal policies which you outline. They are certainly in keeping with the times."

DR. JOHN WILLIAM FRAZER
SELMA, ALABAMA

*Pastor, Church Street M. E. Church, of Selma.
Former Chaplain, 214th Engineers, U. S. A.
Chaplain, Spartanburg Post and South Carolina
Division of American Legion. Author:
The Untried Civilization; What is Heresy?*

DR. FRAZER WRITES TO LIBERTY:

"THE change in the tone of Liberty since you took it over has been—well, thrilling, a change from jazz to martial music.

"Liberty's articles are uniformly well-written, informative, and thought provoking."



JAMES SIMPSON, JR.
CONGRESSMAN FROM ILLINOIS

CONGRESSMAN SIMPSON WRITES TO LIBERTY:

"I HAVE been delighted with your clear-cut, sensible, conservative editorials that you have been having, and feel you are doing much good toward our country in her time of need, as Liberty possibly is more responsible for public opinion than any magazine of its size in America."





Sales Planning for August

First of all, forget everything you ever believed about August being the duller month. This summer is different from any summer we've had in years. August should be the "workingest" month you've put in yet in 1933. The companies that spend the month doing some tall planning and getting some decisive action in *August* will be cleaning up this Fall before their competitors have rubbed the sand out of their eyes.

* * *

You might "wait until after Labor Day," but there are millions of *buyers* who won't.

* * *

No matter whether your industry has ironed out its code as yet or not, get a business-building plan of some kind under way *now*. But have it flexible enough so that it can be adjusted to any provisions which may be a part of your code when it is approved. Depend more on better merchandising, more aggressive personal selling and consistent advertising rather than on any "freak" or "tricky" selling plans. These latter are slated for elimination under the new Recovery Act.

* * *

When industries get going under the new Recovery Act, there will be plenty of companies fighting for the business in the lower price brackets. Look over your line, therefore, and see that you have an exceptional quality story and something new, exclusive, and desirable to offer in the higher price brackets. A *little* of this business will pay a far handsomer profit than a *lot* of the cheaper business.

In these sales planning pages we do not expect all suggestions to be generally applicable. We do, however, wish to remind executives that there is no excuse for inactivity now. This is potentially the best August we've faced in years. Tighten some loose cog or oil some rusty wheel in the sales machine every day or you won't be in the money when the Fall months roll around.

What does it cost you to have a salesman call on a prospect? If you do not know, compute this cost for a fair, medium-good and good salesman. Use the information you develop as the subject of a sales meeting to hammer home to the men the necessity for accomplishing something on every call. If a man realizes it is costing his company exactly \$4.35 every time he sees a dealer, he is pretty sure to develop a greater sense of responsibility about the quality of his salesmanship.



Make up a chart also which shows the ratio between number of calls made and number of sales made. This is one of those simple, old ideas which isn't used nearly as much as it should be in behalf of encouraging men to see *more* prospects in a day's time.

* * *

If your salesmen are to put the Depression behind them in their contacts with buyers this Fall, they must have something *new* to talk about. If your product needs re-design, now is the time to do it. If you do a good job, you'll have far less opposition to price rises than would be the case if you jacked up the cost on the identical thing you've been selling heretofore. And remember that re-design does not necessarily mean an increase in the cost of the product. Hundreds of companies have found that a product of better design actually costs less.

* * *

A New York company has hit upon a simple idea which they say has proved very effective. After the Monday morning sales meeting, each salesman is given or mailed a brief typewritten summary of the subject matter covered at the meeting. It clinches many an important message, they say. Try it.

* * *

If it's been more than a year since you gave your salesmen's route sheets a careful analysis, see if you can't cut costs and improve results by a change in time schedules. Your attention is especially called to the excellent results being obtained by the Abbott Laboratories with revised routings according to a selective plan. Read the article on page 72.



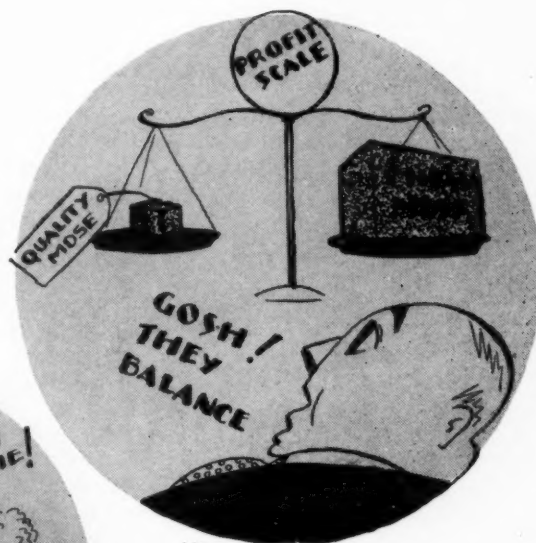
Why not send a letter of appreciation to every customer who has been prompt in paying his bills during the depression? There was an excellent one in Max Droke's last Sales Letter page.



We hate to keep harping on the subject of contests, but there are still too many concerns that do not realize their sales-building potentialities. If you had a contest that failed, it was probably not correctly planned and executed for the type of men you use. This Fall provides an ideal time for a contest, inasmuch as a competitive campaign gives an opportunity to dramatize "the new deal," and to arouse some excitement and interest among the men over the steady strengthening of markets which is taking place. During the past three years contests have been built on the challenge of swimming against the tide. This time the challenge is reversed: see what you can do now that the tide is with you.

* * *

Almost every executive reads several magazines fairly regularly and fairly completely. But has anyone in your company been charged with reading all the leading business and trade papers that touch your field, and marking items and articles of possible interest for individual members of the entire executive group? International Business Machines has done this for years. They say it *directly* produces much new business.



Turn a hawk's eye on the best indices you can obtain on a regular basis (like SM's bank debits). Business is improving much more rapidly in some metropolitan centers than in others. Go where money is being spent with your newspaper advertising.

* * *

Two-cent postage now applies to local mail. Of course you've already thought of the idea of shipping direct mail matter to your branch offices by express in bulk, for remailing at the two-cent rate. Applies to big mailings, of course.

* * *

Which should be a reminder that about 95 out of every 100 mailing lists have been allowed to go to seed during the blue months of low business and high postage. The deadwood should be cleaned out of these immediately and an aggressive effort made to add important new names. Through all the firing that went on in '30, '31 and '32, mailing lists were knocked wall-eyed.

* * *

If you sell through jobbers, why not ask each one to send you a copy of his catalog, to get a general check-up on the way you are represented there? It is our gloomy prophecy that you will find a much poorer showing in most cases than you fondly imagine you enjoy. Then go systematically about obtaining a better one through personal contact with jobber sales managers.

Greater Sales at Less Cost When We Tried Selective Routing

Are your salesmen jig-sawing all over their territories wasting valuable time which might, with better planning, be spent in the presence of prospects? Study this system worked out by Abbott Laboratories and see if a similar method, adapted to your own field, might not bring equally good results for you.

BY A. D. BRUSH

*Director of Sales Research and Planning, Abbott Laboratories,
North Chicago, Illinois*

WHEN you tell the average salesman who has been covering the same territory for several years that by changing his method he can save a dollar a day in expense and better his results from 20 to 25 per cent—he's interested. But he also is skeptical.

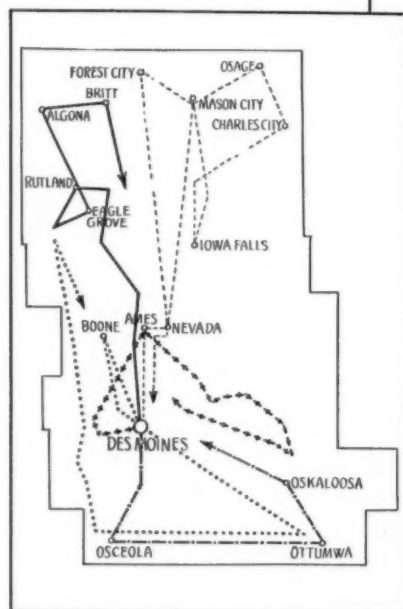
When you finally get him to agree to a new pre-planned routing schedule and try it out, he is still skeptical. After several trips under the new plan, however, he begins to see the light. Finally he thanks you for helping him to increase his sales and earn more money.

The average salesman naturally believes that he is doing the best possible job in his territory. When left to their own devices, however, very few salesmen—even the most successful—will be found to be covering their territories in orderly, logical, economical, pre-planned fashion.

The simplest kind of analysis, charting each trip on a map with variously colored crayons, will quickly reveal wasted mileage, wasted time, neglected towns, too much time in unimportant places and other evidences of poorly planned work.

This is only natural for salesmen, as a rule, are not analytically minded. Further, statistical data are not readily available to them. Planning requires long hours of concentrated thought. They fall into habits. Planned operation in covering territories is unusual.

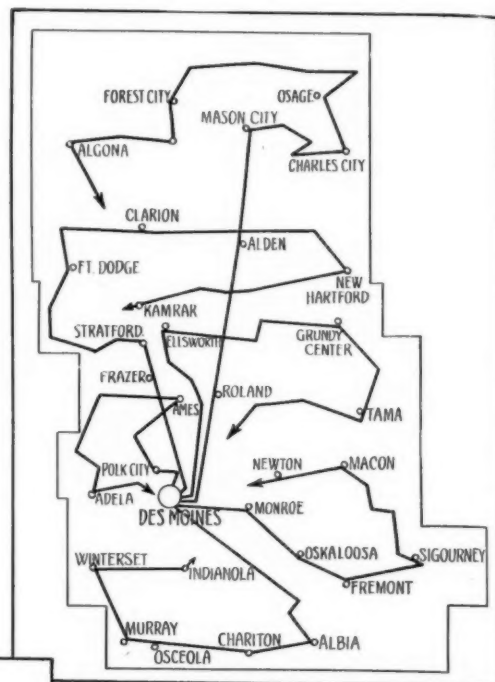
This has been particularly true during the recent years of "hard sledding." Regular routes have been mercilessly sacrificed to the lure of the "big order"



that seems, somehow, to be always waiting fifty or a hundred miles further on.

Knowing this to be true, how is the sales management to proceed to route its salesmen when it has had no experience along this line? That was our problem. So we called for help. We enlisted the services of experts; services of a firm of industrial engineers who have worked out such plans for many other companies and who had previously helped us greatly in developing a satisfactory sales compensation plan.

We learned, first of all, that mental attitude is important. The basic idea



Abbott's territory in Western Iowa is a fair example of the way a poor or only fair routing plan was changed around to give the salesman better coverage of prospects on a selective basis. The map at the left shows the old way; the map above, the new. On the map showing the old routing, the different trips made by the salesman are indicated in different types of lines. See article for full explanations.

is that the salesman is ready to help his management in developing a plan for his territory if he is convinced the plan will get results.

In every possible way we try to develop the idea that the salesman, himself, is working out the correct method of covering his territory and that the management is cooperating with him; supplying him with the necessary maps, analyses and suggestions to help him do the job right.

The more firmly we can make the salesman believe that the routing plan is his own the surer we are that he will operate it faithfully. So we submit an original "suggestion" and invite him to recommend any changes that, in his opinion, will work to better advantage.

He does it. They all do.

But the new plans which they propose, modifying our suggestions, are so far superior to their former routing that the contrast is startling.

Then, with his own plan as a basis—and it is usually not more than a 5 per cent modification of our original

suggestion—it is easy to reach the point where the salesman writes his "O. K." on each trip sheet and the territory is routed.

First, his present method of covering the territory is charted on the map. This quickly shows up illogical, expensive routing, neglected towns, etc. Accompanying this is an analysis from his daily reports, showing the frequency and length of visits to each town, number of prospects interviewed and results.

Then, on an enlarged map, his territory is carefully analyzed. The number of prospects—medical men, drug stores, dealers, hospitals, etc.—are shown on the map for each town. Large colored circles around each town enable one to spot quickly the towns in their relative importance.

A red circle indicates a town of 50 or more prospects—the actual number

being shown—yellow, 20 to 25; green, 10 to 25; blue, fewer than 10.

Then a list is made of all towns having 10 or more prospects and the percentage figured for each town compared to the total number of prospects in the territory. On the average a list of 20 to 25 towns out of 100 or more will contain about 50 per cent of all the prospects in that territory.

The salesman has never fully realized this. If one town contains 10 per cent of all his prospects it is set up for 10 per cent of his time and effort; other towns in like proportion.

Small towns with less than ten prospects are checked against the sales ledger and marked to be included or eliminated from the routing on a basis of whether or not they contain customers; unprofitable or profitable customers.

Some prospects and customers are to be seen weekly, some monthly, some bi-monthly and others only occasionally, *but all at regular periods.*

The physical task is carefully analyzed. The territory is to be covered once a month or once in five, six, seven or eight weeks, depending on the conditions in the territory.

Each salesman's territory is laid out by map and analyzed according to the three methods indicated here. First there is the "territory analysis sheet" (left) which lists all towns in the territory having 10 or more prospects. It shows the number of prospects in each town, and the per cent of the total in the territory.

(Below) A periodic chart shows the frequency and regularity of the proposed trips to each of the more important towns over a period of six months or more. This particular territory is covered in eight weeks' time, which is somewhat longer than the Abbott average. The heavy vertical lines indicate the beginning of a new trip.

Certain important towns are to be visited more frequently than others—but regularly. Each headquarters' town must receive special consideration as it usually is the most important.

The amount of time to be given each town is calculated and then divided into one, two, three or four regular trips during the period set up for regular coverage of the territory.

Then a "periodic chart" is made out showing the frequency and regularity of the proposed trips to each of the more important towns over a period of six months or more.

Next the roads are outlined on the map and the actual routes are laid out.

Attempt is made to balance each week's work; to contact essentially the same number of prospects and to cover essentially the same mileage. The first "port of call" on Monday morning is as close to the salesman's headquarters as is feasible so that he can make his first actual contact within the first half-hour. His last outside town, ending the week's trip, is also as close to headquarters as is possible to make it.

Thus, each trip keeps the salesman going consistently forward. Backtracking, criss-crossing and dead-heading are avoided. He reaches his farthest-from-headquarters point about the middle of the week and then starts back. In most cases he is routed to be back at headquarters Friday night. He works his home town on Saturday morning. Additional full days are
(Continued on page 87)

(Below) Route sheets for each separate trip are supplied to the salesman. These sheets list the total number of prospects—doctors, druggists and hospitals—in each town. While the salesman is not expected to see every prospect on every trip, the men average 12 to 14 contacts per day under the new plan.

Territory Analysis Sheet

Towns—Counties—States	No. of Prospects	Per Cent
Des Moines, Polk, Ia.....	406	22.0
Fort Dodge, Webster, Ia.....	60	3.2
Mason City, Cerro Gordo, Ia.....	57	3.0
Ottumwa, Wapello, Ia.....	57	3.0
Marshalltown, Marshall, Ia.....	50	2.7
Ames, Story, Ia.....	46	2.4
Oskaloosa, Mahaska, Ia.....	29	1.5
Newton, Jasper, Ia.....	28	1.5
Boone, Boone, Ia.....	26	1.4
Knoxville, Marion, Ia.....	25	1.3
Perry, Dallas, Ia.....	23	1.2
Chariton, Lucas, Ia.....	20	1.0
Webster City, Hamilton, Ia.....	20	1.0
Albia, Monroe, Ia.....	18	0.9
Algona, Kossuth, Ia.....	17	0.9
Grinnell, Poweshiek, Ia.....	17	0.9
Indianola, Warren, Ia.....	17	0.9
Osceola, Clarke, Ia.....	17	0.9
Chelsea, Tama, Ia.....	16	0.8
Winterset, Madison, Ia.....	15	0.8
Hampton, Franklin, Ia.....	14	0.7
Clear Lake, Cerro Gordo, Ia.....	13	0.7
Eldora, Hardin, Ia.....	13	0.7
Iowa Falls, Hardin, Ia.....	13	0.7
Nevada, Story, Ia.....	13	0.7
Sigourney, Keokuk, Ia.....	12	0.6
Charles City, Floyd, Ia.....	11	0.5
Clarion, Wright, Ia.....	11	0.5
Pella, Marion, Ia.....	11	0.5
Valley Junction, Polk, Ia.....	11	0.5
Traer, Tama, Ia.....	10	0.5
Ogden, Boone, Ia.....	10	0.5
Woodward, Dallas, Ia.....	10	0.5

Total 1116 or 60.5% of
total number of
prospects (1844)
in territory.

PERIODIC ROUTE SHEET

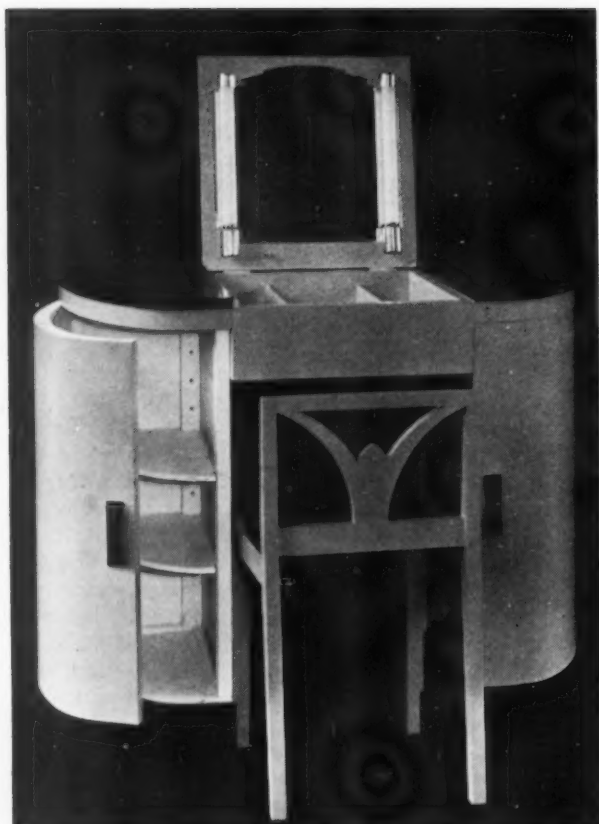
Territory No. 307 (F. C. Funk)

TOWN	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Ames	x								x								x											
Ft. Dodge		x								x								x										
Ottumwa			x								x								x									
Des Moines	x	x	x	x				x	x	x	x	x					x	x	x	x	x			x				
Marshalltown					x							x										x						
Mason City						x								x									x					
Oskaloosa							x								x									x				

Trip Sheet No. 6

	No. of Prospects
MONDAY:	
Algona	17
Burt	4
Bancroft	4
Buffalo Center	5
Forest City	2
TUESDAY:	
Forest City	7
Lake Mills	6
Northwood	7
Stacyville	5
Riceville	6
WEDNESDAY:	
Osage	5
Charles City	11
Nora Springs	7
Mason City	8
THURSDAY:	
Mason City	32
FRIDAY:	
Mason City	17
Clear Lake	13
Garner	1
SATURDAY:	
Garner	5
Britt	7
Kanawha	3

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The C. F. Church Manufacturing Company, makers of Church Seats, are breaking into department stores with a line of ensemble bathroom furniture of which this combination dressing table, cupboard and hamper is the top-priced item in the line—retailing at about thirty dollars.

Custom-Building a New Product to the Wants of the Market

A Department Edited

BY R. S. McFADDEN

IN September, timed to coincide with the nation-wide Fall house-furnishings sales events, the C. F. Church Manufacturing Company, makers of the well-known Church Seats, will introduce a complete line of ensemble bathroom furniture, comprising some thirty items.

Coincident with the launching of an entirely new line will be Church's entry into an entirely new market—that of the department store.

What is the story back of Church's sudden switch from thirty years of concentration on a single product, as well as concentration on a single method of selling that product, namely, through plumbing outlets?

The plain truth is that Church's advertising agency, Fuller & Smith & Ross, actually unearthed the existing need for ensemble bathroom furniture during the course of an intensive investigation they were conducting in behalf of their client on an entirely different question.

For years, as the only nationally advertised, high-grade, high-priced toilet seat, Church had commanded a major portion of the original building installation business. Church Seats were advertised, sold, and bought as a plumbing fixture, and as a matter of

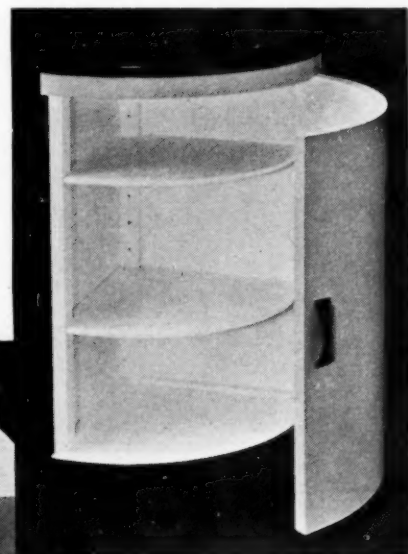
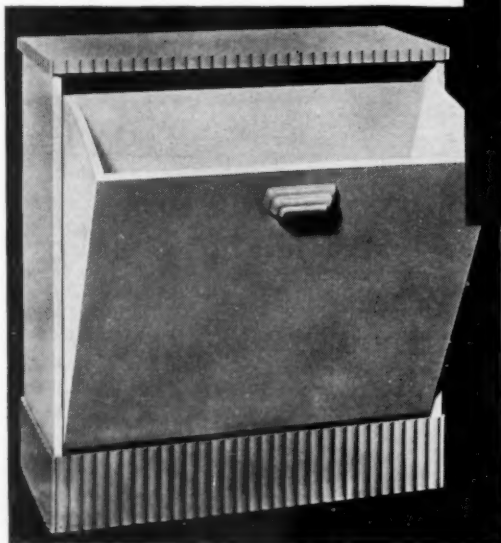
course were specified in every important building development.

But as building activity subsided, Church and its

agency kept a weather eye on the replacement market, noting especially that replacement was being influenced more and more by changes in style and color, in addition to the old replacement motive of outworn utility.

Perhaps you yourself remember that several years ago Church's well-known national advertising campaigns began intensively to develop the theme of "beauty in the bathroom," playing on

the woman customer's perennial pride in her "taste". Magazine advertising and brochures showed women how, at modest cost, they could convert ugly bathrooms into places of color and



The cupboard above, sold as a separate item, is one of the manufacturing units which, when combined, make the dressing table at top of page.

You can stand things on this hamper at left and they won't go tumbling off when Johnny wants to hide the towel with which he wiped his face clean as well as dry.

Nedick's refreshment bar, with paneling, ceiling and bar of Bakelite Laminated. The colors used are black, green, orange and cream. John Vassos, designer.

John Vassos says...

...*"Out of the union of art and industry one thing has been born—beauty of design. It is beginning to be accepted as a practical necessity in industry"*



John Vassos, New Canaan, Conn., is a designer of repute in many fields. He has added sales compelling beauty to such commonplace products as stoves and turnstiles, and also has created designs of conspicuous artistic merit for furniture, windows, floor coverings, and containers.



Don't miss the Bakelite Exhibit when you visit the Century of Progress Exposition.



WITH THE PUBLIC there is a conscious or sub-conscious preference for the beautiful. The weighing scale, gasoline pump, or refreshment bar of unusual beauty of design always entices coins from more pockets. People place more confidence in goods that are pridefully offered for sale.

The artist-designer adds to the most utilitarian products, a form and color that appeals to the eye, and makes them stand apart from those of competitors as something superior. He also realizes that beauty of form must be expressed in appropriate materials. Like Mr. Vassos who used Bakelite Laminated in Nedick's refreshment bar, many designers have found in this and other Bakelite Materials practical mediums for the economical interpretation of their ideas.

Bakelite Materials of laminated and plastic types are strong, durable, resist wear, moisture, and most chemicals. They are obtainable in black, brown, and many colors, and have a rich finish. Their use often leads to production economies. Regardless of what your product may be, you will be interested in the story told in Booklets 26L and 26M, "Bakelite Laminated" and "Bakelite Molded". A line from you will bring copies.

BAKELITE CORPORATION, 247 Park Ave., New York • 43 East Ohio St., Chicago
BAKELITE CORPORATION OF CANADA, LTD., 163 Dufferin Street, Toronto, Ontario

BAKELITE

"The registered trade marks shown above distinguish materials manufactured by Bakelite Corporation. Under the capital 'B' is the numerical sign for safety, or unaltered quality. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products."



THE MATERIAL OF A THOUSAND USES

beauty, always, of course, stressing the importance of a new Church toilet seat.

But as business derived from new building construction diminished, and as it began to become clear that no amount of national advertising could counteract the effect of women's natural gravitation to department stores, Church delegated to its advertising agency the job of seriously measuring the potentialities of the department store as an additional sales channel.

Conducted by Charles P. Pelham, vice-president of Fuller & Smith & Ross, the survey included interviews with executives, merchandise managers and housefurnishings buyers of department stores in cities of various sizes all over the country from New York to San Francisco, supplemented by answers secured from questionnaires mailed to over 1,500 department, furniture and housefurnishings stores.

Among other pertinent facts which the survey uncovered, was the interesting one that, along with other merchants and manufacturers, the department store was anxious to add *new lines* to offset falling volume and decreasing profit. Second, that a definite reaction to "shoddy" merchandise had set in, resulting in a new and growing willingness on the part of many stores to stock and push *nationally advertised brands*. As one authority put it "for the first time in history the nationally advertised brand is actually being welcomed by department stores."

Buyers Cite Opportunities

One reason for this trend toward favoring nationally advertised brands of lines new to department store selling is that, though they do want new lines, they don't want the expense of creating consumer demand. With the key to department store profits lying in quick turnover, they can't be bothered with slow movers, floor-space eaters, limited market items.

Further light on the possibilities of department store distribution was yielded by the survey's figures of representative stores' average day's customer traffic and charge account lists. By this time Church was pretty well satisfied in its own mind that department stores *were* one of the logical outlets for reaching the *replacement* market. But along with such confirmation Church's agency unearthed by-product market facts which started the agency and the Church organization to thinking in still another direction. Housefurnishings buyers divulged the information that in estimated order of sales importance the following bathroom merchandise holds greatest promise:

1. Shower curtains
2. Hampers

3. Scales
4. Bath mats
5. Vanity dressing tables
6. Toilet seats
7. Bathroom stools and chairs
8. Dressing table mirrors
9. Glassware
10. Fixtures.

And these buyers went on to deplore the fact that though the merchandise managers of living-room, bedroom, kitchen departments, could cash in on the highly profitable ensemble selling, no manufacturer of bathroom accessories except Cannon (towels, mats, washcloths) was offering them a line to sell in ensemble. With items coming from assorted manufacturers, styles and colors had no relation to each other. The "matching problem," under such conditions, went far to cut down profits and sales.

The Birth of a New Line

Several department stores confessed to having made minor attempts at ensemble selling by offering combination seat and hamper sales, or stool and hamper sales. In every instance of the sort the experiment was a sure-fire success—proving that women were *trying* to achieve a unified effect in bathroom decoration, but were actually being frustrated by the almost total absence of related items.

Convinced by his many interviews with merchandise managers and buyers, Mr. Pelham, of Fuller & Smith & Ross, suggested to their client that the Church one product line (toilet seats) could profitably be augmented by the addition of hampers, stools, chairs, vanity tables, etc.

This recommendation was based on both merchandising opportunity and Church's existing production facilities plus the fact that "Church is the most logical of all manufacturers to make a complete line of bathroom furniture from the standpoint of reputation, consumer brand strength, size of company and quality of product."

Church recognized in its agency's idea advantages both to the department store and to itself. First, to offer a complete assortment of items and colors from one maker would mean, from the standpoint of the store, reduced stocks, increased turnover, no odd pieces to mark down, increased profit. From Church's standpoint, the opportunity to do three or four times as great a department store volume as with seats only would reduce selling costs per order, as well as production and advertising costs. The survey cleared up any existing doubts about popular price ranges, and enabled them definitely to arrive at prices which, in view of Church's reputation

for high-grade, high-priced products, would impress the new market as exceptional values.

With the facts in hand, the C. F. Church Manufacturing Company didn't take long to make up its collective mind. The first step was to get hold of a designer who knew the manufacture of furniture from A to Z, and who, at the same time, was familiar with the housefurnishings market.

So Fuller & Smith & Ross made another recommendation. Lurelle Guild, author of many books and articles on furniture, designer of the Norge refrigerator, Wearever kitchen utensils, textiles, curtains, General Electric mixing machine, etc., seemed to have the right experience and background to equip him for this job.

After digesting the facts in the market survey, Mr. Guild was given thirty days to produce drawings, specifications and color schemes of a complete ensemble line of bathroom furniture. Bearing in mind all limitations and striving to achieve a maximum of design effect with a minimum of additional expenditure for supplementary equipment, Mr. Guild evolved a plan whereby several separate items could be made out of a few manufactured parts, all depending upon how these parts were placed in relation to each other. You will observe that the two curved compartments on each side of the large dressing table (one provided with shelf space and the other serving as a hamper), when divorced from center cosmetic box are separate, salable items in their own right.

Establishing Price Ranges

Stand the cosmetic box used in the large dressing table on its own four legs (the same style of legs as used on the chair and the stool), and you have a vanity stand suitable for the compact city bathroom and pocket-book. Items not shown in these photographs include different styles of hampers, mirrors, floor towel stands, shelf arrangements, cabinets, tables, etc., the total comprising over thirty items.

It was Mr. Guild who, after digesting the facts in the market survey, established the price range of the line, setting as his goal in design articles which could be retailed at a top price of thirty dollars. Since the nearest comparable bathroom dressing table on the market retails for seventy-five dollars, it is clear that Church has a fine edge on competition.

Before August the C. F. Church Manufacturing Company will have ready a complete showing of the line in its exhibit rooms in the American Radiator Building, at 40 West Fortieth Street, New York City.

"TRAVEL ME



ONE
MANUFACTURER
SENT
196
POSTAL
TELEGRAMS
AND GOT
173
ORDERS

MISTER...I GET THE BUSINESS!"

In these days when order seekers are plenty and orders are few...when the costs of traveling represent too high a ratio to sales, enterprising manufacturers are using Postal Telegraph to cover the trade.

Postal Telegrams not only make it possible to cover the entire field in a matter of minutes...but they get in... they get attention...they get results!

Selling by Postal Telegraph is popular because it is profitable. If you would like more information about selling by Postal Telegraph, just write asking that a Postal Telegraph representative call or, better still, wire collect.

. . .

Postal Telegraph is the only American telegraph company that offers a world-wide service of coordinated telegraph, cable and radio communications under a single management.

THE INTERNATIONAL SYSTEM

Postal Telegraph

Commercial
Cables



All America
Cables

Mackay Radio

Sample-with-Sale Plan Wins 60,000 Outlets for Sunshine Cereal in First 4 Months

GUARANTEED value to consumers and higher profits to grocers have been combined by Loose-Wiles Biscuit Company to develop in the last four months more than 60,000 outlets for its first cereal product. The number represents 90 per cent of the company's regular outlets in the New England, Philadelphia and New York territories. The company has concentrated its sales and promotion efforts intensively in each of these areas, in turn, before pushing on to the next.

Loose-Wiles has been making biscuit products since 1902. Its line now covers 500 items—some 250 of which are packaged. Next to National Biscuit, it is the largest factor in this industry. With complete nation-wide distribution, the company now has 16 biscuit plants from Portland, Oregon, and New Orleans to New York, and 150 branches. Because of the perishability of some of the members of the line, the products are sold direct to grocers and institutional buyers by a force of 1,800 salesmen. Loose-Wiles' own fleet of trucks serves 350,000 outlets. Four hundred fifty million advertising messages yearly keep the "Sunshine" brand very much alive.

Loose-Wiles, to be sure, has diversified a bit—adding Vassar chocolates and Austin's dog biscuits. More recently, a new cereal, it was thought, could be made to fit profitably into this scheme.

So the company created Rippled Wheat, a whole wheat product,

to be made at its Long Island City plant. Some cereals being notorious loss-leaders, Loose-Wiles sought to give the new product not only a better-than-average profit margin for the grocers, and to see that suggested resale prices were maintained, but to give consumers a good value, too.

As the plan worked out, the company's salesmen in these territories had a persuasive story to tell. The average profit on cereals in grocery stores, for example, explained W. W. Wachtel, vice-president in charge of sales, is only 12½ per cent. On biscuits the average margin is over 20 per cent (but biscuit prices sometimes are cut, too). Rippled Wheat, however, was designed to give the dealer a profit of from 25 to 32 per cent. The minimum resale or "bargain" price was 9 cents. This allowed 25 per cent profit margin. Below this, Loose-Wiles decided, no dealer should go—and decided to refuse deliveries to any who wanted to try it. The suggested consumer price, Mr. Wachtel continued, was 10 cents. Despite the higher

margin of profit to the grocers, Loose-Wiles was thus able to advertise for the "new breakfast food sensation" an unusual value of 14 servings of 28 biscuits in each package.

Introduction of this product was made through a money-back offer, the fairness of which appealed to housewives and stimulated initial sales to a remarkable extent. Consumers who bought a regular package received a sample package of two biscuits free. They were asked to try the sample first. If not satisfied with it they could return the regular package and get their money back. Consistent newspaper advertising, and window and store displays, showing both regular and sample packages together, are being employed. To date, Mr. Wachtel said, of thousands of women who have taken advantage of the offer, only six have sought their dimes.

"Some indication of the way in which Rippled Wheat has been received in these areas," he said, "is found in the fact that though the average sale of a particular cereal in a store is from \$2 to \$5 a month, the volume of Rippled Wheat in its first month in each of these three areas has been between \$10 and \$15. In many instances dealer's sales reached a total of \$25 to \$50 during the introduction.

"Of course, new cereals usually have large volumes at the start. These taper off to their respective 'normals' after the first stocking-up and promotional rush are over. In Rippled Wheat, however, we have found the demand more consistently maintained.

"The sample-with-a-sale plan has already been used effectively on a national scale for our Hydrox biscuits and we plan to do a similar job nationally on Edgemont honey graham wafers soon."



Value: Only six of thousands of women who accepted this offer wanted their dimes back.



More Value: Loose-Wiles will try the sample-with-a-sale plan nationally on Edgemont honey graham wafers soon.

"WHERE TO BUY IT" ACTUALLY INCREASES DEALERS' SALES

Here's what they say of this dealer identification service

FRIENDLY FIVE SHOES — Macon, Ga.

"This service offers an ideal tie-in with the Jarman Company's advertising and identifies our store as their retail outlet."

LOCKHEED BRAKES — Chicago, Ill.

"Many new customers have been directed to us through this medium."

MIMEOGRAPH — Charleston, W. Va.

"... not only satisfactory, but quite a help and assistance."

G. E. REFRIGERATORS — San Francisco, Calif.

"Our business has enjoyed a material benefit from Trade Mark Service."

RAYBESTOS BRAKE LINING — Indianapolis, Ind.

"Because of the calls which come from our 'Where to Buy It' listing, we can not afford to be without it."

RCA VICTOR RADIOS — New York, N. Y.

"We found a considerable increase in the number of inquiries we received."

INS. CO. OF NORTH AMERICA — Philadelphia, Pa.

"The results obtained have been excellent and certainly more than warrant the expenditure. We regularly obtain inquiries from this source."

BUICK AUTOMOBILES — Chicago, Ill.

"It has not only been valuable in the selling of cars, but it has aided in bringing in service customers."

TOLEDO SCALES — Dayton, Ohio

"I firmly believe that the Toledo Scale Trade Mark listing has been instrumental in bringing us business."

EXIDE BATTERIES — Los Angeles, Calif.

"We wish to express our appreciation... It has brought us new customers who became steady ones."

How "WHERE TO BUY IT" Service works

"Where to Buy It" definitely links the authorized dealers with the advertised brand they carry in stock. This is accomplished by having these dealers listed below the manufacturer's trade mark in classified telephone books wherever distribution warrants. To complete the tie-up, the manufacturer's advertising refers to these dealer listings. "Where to Buy It" Service makes advertising results more certain, checks substitution. Telephone or write Trade Mark Service Mgr., American Tel. and Tel. Co.; New York address, 195 Broadway, (EXchange 3-9800); Chicago address, 311 West Washington St., (OFFicial 9300).

ONE DIRECTORY

Doors.—(Cont'd)

OVERHEAD DOOR—THE SALES-INSTALLATION-SERVICE

For garages, factories, warehouses, open UP, completely out of the way. Any size or design. Hand or electric operation. Homestly constructed, faithfully serviced, correctly engineered.

"WHERE TO BUY IT"

OVERHEAD DOOR SALES PHILA. INC.

3450 Lancaster at Ely

Overly W F & Sons
Pacific Mutual 17th

CLASSIFIED TELEPHONE DIRECTORY

Drinking Cup Business (cont'd)

DIXIES

INDIVIDUAL DIXIES
Sanitary paper cups, rolled with comfortable Offices. Withins for Homes. Also for Soda Fountains. Also for packaging soft foods. Ideal for picnics and motor trips.

"WHERE TO BUY IT"

DENNIS F PAPER CO. 35 S. Hanover Pl. 622-8170
Pandy & Tobacco Co. 110 110-5946
112-5313

Druggists RETAIL

Manufacturers Offer Display Floodlight Merchandise Deal

Eleven hundred service wholesaler salesmen, representing the 120 member houses of Druggists' Supply Corporation, New York, are offering their retail customers, free, a specially designed window display and floodlight sign.

A druggist may obtain the sign, explained H. W. Adkins, executive vice-president of Druggists' Supply, by giving the salesman an order for one deal of merchandise of each of 12 cooperating manufacturers. Each deal represents about \$10 of merchandise, he added, "at a cost to the store of no more, and in some cases less," than the regular price. The sign—four feet long, nearly a foot high, with three face panels of plate glass, on the center of which appears the name of the store—is estimated to be worth \$25.

The participating brands—which share the cost of the sign—are Houbigant, Zonite, Blue Jay, Rinex, Feen-a-Mint, Gillette, Modess, Mennen, Williams, Frostilla, Kolynos and Pertussin. Their names appear on the other two panels.

The druggist, Mr. Adkins pointed out, gets the floodlight sign at once, but has six months in which to take delivery, at the rate of two deals a month. Delivery dates coincide with seasonal demand in each case. A druggist may get more than one sign by buying a corresponding number of the 12-unit merchandise offers. Window and counter display material is included with each deal.

"Druggists are fed up with free goods deals, because they are only price concessions and tend to demoralize prices and profits," he believed. "It is our contention that such offers do not tend to increase volume, but rather to lower the unit of sale and reduce the druggists' profit. Manufacturers who wish to make a special appeal to druggists to push the sale of their merchandise should do something to help druggists build their business. We have tried to do this with this floodlight sign."

Mr. Adkins estimated that 10,000 or more of these offers would be placed during July and August. Fifty thousand broadsides on the plan have been supplied to wholesalers.

Heads Red Top Post Sales

Arthur W. Thompson has become sales manager of Red Top Steel Post Company—succeeding Luther H. Atkinson, now general sales manager of Wood Conversion Company. Mr. Thompson has been assistant sales manager for six years.

Expects NIRA to Increase Promotion and Research

"Advertising is certain to be an important factor in the new industrial relationships established under the terms of the National Recovery Act. In its effects the law will bring to the fore the sales problems of the manufacturer and will emphasize the importance of an accurate knowledge of his markets. I believe, too, that research in industry will enjoy even greater importance under the provisions of the law. Good advertising will become more essential than ever. It will be in a position to help the business executive avoid those wasteful and expensive practices in selling which so often add needless costs to needed products. Good advertising is opposed to senseless price cutting and to unfair competition. These are two business evils which we hope to reduce under the new plan of business administration.

"Constructive selling competition will be as strong as ever and there will be great need for aggressive sales and advertising efforts. The only kind of competition that is going to be lessened is the destructive, cut-throat kind of competition which harms industry and the public as well. There should be more competition than ever in presenting quality products to consumers and in selling those products. What we are going to need more than ever is energetic, intelligent, honest efforts to sell goods to people who are to use them."—General Hugh S. Johnson, in a message to the Advertising Federation of America.

GE Distributors Will Meet on Recovery Cooperation

Three hundred executives of General Electric distributors will hold a three-day conference at the company's Bridgeport plant to devise means for "immediately tying in with the National Recovery Act."

C. E. Wilson, GE vice-president and head of the Bridgeport plant, will preside.

Gerard Swope, president of GE and chairman of the new Industrial Advisory Committee; Dr. Charles Eaton, Congressman from New Jersey; Bruce Barton, advertising man, and Charles Francis Coe, author, are scheduled to speak.

Singer Loses 8 Pounds and Brewers Discover a Feminine Appeal

Thanks to the ingenuity of C. D. Williams, veteran secretary of the United States Brewers' Association, New York, the brewers now have something to talk about besides flavor and ancestry. They have, indeed, a potent feminine appeal.

Instead of making one fatter, as many women have feared, Mr. Williams has discovered in a test of ten girls of the Radio City Music Hall chorus that beer, taken at the rate of three bottles a day for 15 days, will even relieve one of a couple of pounds. If one is inclined toward stoutness, as was Kay Bowman, who weighed in at 169 on the first day of the test, the loss may be 8½.

And instead of making one lazier, the girls agreed that they felt "better and peppier." The examining physician bore out this testimony. Nine of the girls were found to be anemic when the test started. When it finished their hemoglobin (blood) count was 10 to 15 points higher. Two who had been afflicted by low blood pressure were quite all right again.

The girls continued on their regular diet, but were not permitted to slip out for soda fountain "snacks."

The test was supervised by a committee headed by Pierre Nuytens, portrait painter. On the committee there were of course the physician and a dietary consultant to motion picture stars. Dietary experts and newsmen attended the first and last weighings in. After the first press handout, Mr. Williams retired from the scene—perhaps not sure in his own mind whether the test was befitting the dignity of the thriving new industry which he represents, even though it might prove of benefit. George W. Sutton, Jr., of Sutton & Schipper, Inc., the association's publicity counsel, handled the press arrangements.

The association tried originally to get the Roxyettes, the dancers of the Music Hall, for the test, but Mr. Rockefeller's Baptist directors, it is said, objected to turning the affair into a leg show—especially as some of the dancers are only 15 or 16 years old.

Incidentally, the association is going into this beer-and-health thing pretty thoroughly. An eminent doctor has been engaged to put ten or a dozen guinea pigs on a beer diet for months and months. The association is not quite sure how he is going to persuade the pigs to take the beer. Probably he will have to get it into them with an eye dropper.

A Fine

GENERAL DISPLAY RECORD

BY A GREAT PACIFIC COAST EVENING NEWSPAPER

SAN FRANCISCO CALL-BULLETIN

June, 1933 . . . 148,506 lines

June, 1932 . . . 131,349 "

A GAIN of . . . 17,157 "

THE CALL-BULLETIN, Northern California's leading evening Newspaper, and San Francisco's leading daily advertising medium, was the FIRST San Francisco Newspaper to reflect the recent improvement in business—having made a gain in May of 7,955 lines in General Advertising.

For THE CALL-BULLETIN to have now followed this up with a gain for June—more than twice as large as the May gain—is clear and positive evidence of the high standing in which Manufacturers and their Advertising Agents throughout the United States hold this great Evening Newspaper.

In June, 1933, CALL-BULLETIN led second daily Newspaper by 38%.

In June, 1932, CALL-BULLETIN led second daily Newspaper by 22%.

Nearly everyone advertising in Northern California starts their campaign with this great Evening Newspaper.

San Francisco Call-Bulletin

National Representatives

PAUL BLOCK AND ASSOCIATES

NEW YORK

CHICAGO

DETROIT

BOSTON

LOS ANGELES

PHILADELPHIA

SAN FRANCISCO

Mrs. Buyer Puts New Paint Cleaner on Sale in 150 Department Stores

By persuading buyers to take home a sample, let Mrs. Buyer try it out, and then abide by her reaction, Blesant Laboratories, Inc., New York, have put their Dirtoway paint cleaner on sale in 150 department stores of New England and New York.

And by going "over the heads" of purchasing agents of building operating companies and institutions to the presidents and chief engineers, and then letting Mrs. President and Mrs. Chief Engineer make the decision in their homes, Blesant has sold considerable quantities of the product in this market, too.

Introduced last November, sales of Dirtoway now total 600 gallons a month, reports Colin R. Grant, vice-president in charge of sales and general manager.

This, admits Mr. Grant, is not a tremendous amount, but pretty good for a starter.

The development of Dirtoway has enabled Mr. Grant and his associates to find and seize a depression-born opportunity.

Last fall—the building industry being what it was—Mr. Grant, who had been a salesman for a building material manufacturer, found himself out of a job. He knew that not only was new building virtually at a standstill, but that renovating was pretty quiet, too. He decided that a paint cleaner could be developed which would make painted, varnished and lacquered surfaces look like new—which would, in fact, prolong the life of the finish indefinitely. He believed that such a product would find ready acceptance at that time among home owners and building maintenance people, who wanted to keep up appearances at least possible cost.

But Mr. Grant knew, as he says, "nothing" about putting such a product together.

He looked about for the person who knew a lot about such things. Someone suggested Dr. Frederick A. Hessel, former research chemist of Vacuum Oil Company, and formerly with the French Petroleum Institute. Mr. Grant did not know Dr. Hessel. He found someone who did, however, and obtained a formal introduction. Then he explained the problem and the possibilities. Dr. Hessel was intrigued. To be an effective substitute for repainting, he agreed, the cleaner must be neither acid, alkaline nor abrasive. Dr. Hessel promised to think very seriously about the matter.

He called in Dr. Ralph H. McKee, professor of chemical engineering of Columbia University. Dr. McKee also was intrigued. Mr. Grant met Dr. Hessel on a Thursday. The following week-end the two chemists spent 30 hours together on the problem. By the next Wednesday Dirtoway was ready for market.

The two chemists agreed to take charge of the laboratory part of the new business. Mr. Grant found a president in the person of James Stuart Blain, treasurer of Aerocrete Corporation of America, selling a concrete product to builders. On November 1 Blesant Laboratories were incorporated.

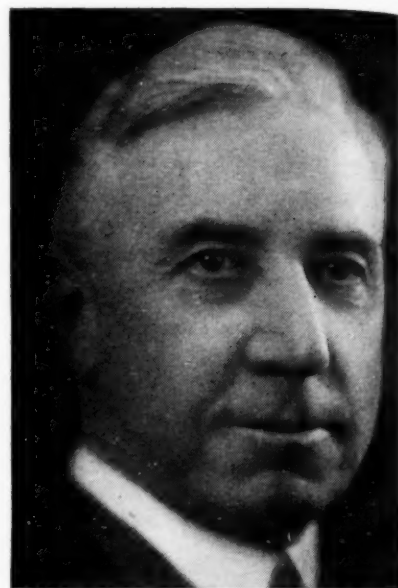
Mr. Grant tried the product on friends and especially on friends' wives. They liked it. They liked it especially because it revived the appearance and the life of paint at about one-fifth of the cost of new painting. After putting it through various tests, Mr. Grant took it up to New England to try it out on department stores there. He also tackled the maintenance people in New England and New York and then the New York stores. Agents were appointed in New England and, recently, in the Middle West.

Month by month sales rose. Instead of being mere "keepers of products," the stores, convinced of the worth of the product through its use in the homes of their buyers and executives, became active salesmen for it and enthusiastic repeat customers. Among the New York stores now selling it are Bloomingdale's, McCreery's, Wanamaker's, and Loeser's in Brooklyn.

Mr. Grant put other ideas to work for the product. He induced several real estate companies in New York last spring to offer Dirtoway-cleaned apartments at one rental figure and repainted apartments at a correspondingly higher figure. In 95 per cent of the cases, says Mr. Grant, tenants have taken the Dirtowayed apartments. It was found that an average room can be Dirtowayed, material and labor, for \$2.75, as against \$13.33 for repainting.

"Soon," says Mr. Grant, "we plan to do some advertising. We also plan to sell this and other products on a wider area. In the Dirtoway campaign we'll compete not with other cleaners, but with the paint people. Dirtoway, we believe, is an economical and effective substitute for repainting."

It sells for 40 cents a pint.



Fred Wardell

Eureka, Taking a Hand in New Deal, Returns to Specialty Selling

Despite the fact that Eureka Vacuum Cleaner Company, Detroit, was able to show an operating income of \$51,558 in 1932—the first full year of its policy of selling through department stores and electric light companies—after large losses in 1931 and 1930, Fred Wardell, president, is convinced that house-to-house selling will be more productive under the New Deal.

Starting in New York, and later in other territories, Eureka is re-establishing its specialty sales organization. This policy was responsible for the development by Eureka during the twenties of the "largest manufacturing volume" in the vacuum cleaner industry—a volume which reached a peak of \$12,780,000 in 1927, and which produced in several years more than \$2,000,000 of operating income.

The store sales policy, launched in the Fall of 1931, was intended to reduce sales costs. Though the volume in 1932, of only \$1,360,360, was less than one-third of the 1931 total (\$4,296,521), the operating deficit of \$669,737 of 1931 was wiped out.

One reason for the selection of New York as the starting point for the re-created specialty sales policy may have been the decision of the electric utilities in that state (SM, July 1, 1933) to retire from the sale of domestic electric appliances.

Eureka has just launched a national retail sales contest on behalf of its new floor model cleaners, with cash and merchandise prizes for Eureka salesmen and the salesmen of Eureka dealers.

Summer Slump Defied: Frigidaire Launches Extra Sales Drive

Executives of Frigidaire Corporation, Dayton, decided a few days ago that the customary summer slump in the sale of automatic refrigeration need not obtain this year.

To prove it, the corporation is launching July 15 an advertising campaign in nearly 600 newspapers, over 54 CBS radio stations, is continuing magazine and outdoor efforts, and is distributing 5,000,000 copies of a four-page roto tabloid newspaper—and is offering bonuses totaling \$120,000 as rewards for extra effort during July and August by its force of 11,000 dealers and retail salesmen.

Plans were announced to the retail organizations at a series of 54 meetings held by Frigidaire executives throughout the country during the last ten days.

The campaign was actuated by an increase of 42 per cent in household dollar volume in recent weeks as compared with the same period of 1932 and by improvement in general business conditions.

Quotas are individually set, said Frank R. Pierce, sales manager. Salesmen who exceed them may make up to \$250 extra. Mr. Pierce presided at the New York meeting, at the Astor, July 7. H. W. Newell, vice-president in charge of sales, was on duty on the same day in Chicago.

Extra emphasis is being given to air conditioning during the drive. At the New York meeting, J. C. Chambers, head of the air conditioning division, pointed out that 50 per cent of the annual demand for these products is felt during July and August. Frigidaire conditioners have been reduced to a base level of \$495.

Incidentally, the number of Frigidaire department store outlets has risen from 174 to 320 in the last six months.

Columbia Pictures Plan \$500,000 Campaign

One hundred sixty-two newspapers will receive the greater part of an expenditure of \$500,000 in advertising by Columbia Pictures in the year beginning this fall, Jack Cohn, New York, vice-president, told the annual convention of the organization at Atlantic City this month. Fifteen magazines and broadcasts over 58 stations also are scheduled.

The company plans a \$14,000,000 production program.

ALL IN A DAY'S *Mail*

While in Editor Macfadden's office recently, he showed me the letters from readers which had come across his desk that particular day. Stacks and stacks. Some of these missives were on daintily monogrammed stationery. Others were typed on business letterheads. A few were postcards. Some more were laboriously scrawled notes on inexpensive paper.

Without exception, all these letters were human documents, stating a personal problem and asking the answer from Mr. Macfadden, the editor of Physical Culture Magazine.

A mother of two young children wanted to know what to do about a father who drank continuously and belittled her in front of the little ones.

Another, the editor of a small town newspaper, had a son afflicted with a physical ailment and thought that, perhaps, Mr. Macfadden could recommend certain athletic exercises which would cure the boy.

A charming young matron, highhatted by the local society, desired to learn how popular hostesses entertained.

In that day's mail there were many, many other such strikingly human personal problems. Problems not important to anyone else but the writers. However, to them, a solution of these personal problems was vitally necessary. And the editors of Physical Culture Magazine have never yet failed to respond to these or the thousands of other calls for help with personal

problems. Either through direct correspondence or in the columns of Physical Culture Magazine, the editors endeavor always to give the proper and helpful advice on perplexing human problems.

Look at a copy of the August issue of Physical Culture Magazine. Not a few are the enlightening, authoritative articles on human relationships. "The Other Woman Talks to Wives", a frank and fearless discussion of an extremely intimate and personal subject; "Fighting for My Life", a personal experience story by Albert Payson Terhune; "Raising a Happy Family in the Depression", by Sarah Jane Carr. "Boy or Girl—Can We Pre-Determine It?" by George Sylvester Viereck. These are just a few of the score of instructive, timely features devoted to the commonsense handling of daily human problems.

This co-operative, sympathetic attitude on the part of its editors towards personal and family relationships explains why Physical Culture Magazine has today a growing, loyal audience of more than a quarter of a million readers. Regular readers, regular folks who comprise a substantial market that cannot be sold in any way but through the advertising pages of Physical Culture. Can we tell you more about it?

John F. Learter

AN ADVERTISEMENT FOR PHYSICAL CULTURE MAGAZINE

Premiums and Sales Contests

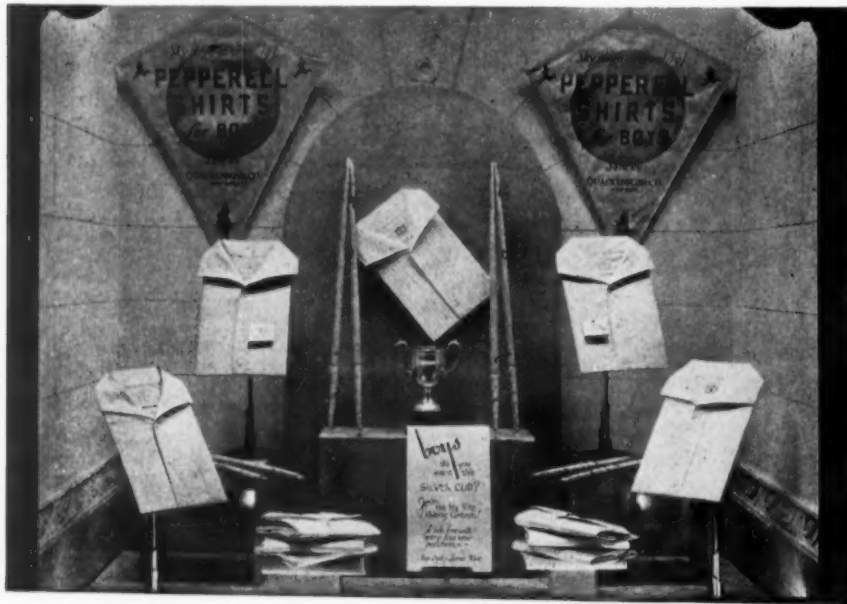
BY R. E. SMALLWOOD

Kiting Sales

How would you like to have 100,000 youngsters out to see that your advertisements were placed above all others, and doing it for the pure fun of the thing?

In its kite-making contest, I. Jablow & Company, Inc., of New York, touched a live nerve and one which brought an enthusiastic, sales-jumping response of no mean proportion. With the campaign one month old, contests already have been put on in 150 cities and it is estimated that more than 100,000 boys have entered. Taking a cue from the kites, sales thus far are up 23 per cent over last year.

I. Jablow & Company is the exclusive manufacturer of Pepperell boys' shirts, pajamas and athletic shorts. Manufacturing products for boys exclusively, the company sought a campaign which would interest these young consumers, and one which could be depended upon to bring mothers into boys' departments of stores handling its line. This they knew was enough to win the good will and active support of dealers, to stimulate sales of the Pepperell line.



Winning Dealer Support

With the experience of a successful marbles contest behind it, the company decided this year to promote a kite-making contest. To become eligible the boys were not required to purchase a Pepperell shirt. The purchase of any article in the boys' department was sufficient. Aside from the widespread and beneficial advertising gained, the manufacturer was content to develop sales for the entire department, and this no doubt had much to do with the ready reception of the idea on the part of so many dealers.

At the time of purchase each boy's

name was registered on the sales slip and he was notified that on or before a certain date he must deliver a finished kite to the department. At the time of purchase he also was given a free kite, advertising Pepperell shirts for boys and imprinted with the dealer's name.

Judges consisted of men well known in the communities, such as Y. M. C. A. secretaries, high school coaches, scoutmasters, etc. One important factor in the contest was the award, with proper ceremony, of a beautiful silver cup to the maker of the prize-winning kite. The cups were donated by the manufacturer.

I. Jablow & Company promoted the contest to dealers entirely by mail. The company also furnished counter cards, window display material, mats, etc., together with complete contest instructions. The kites, 30 inches by 24 inches, were purchased at a cost of 2½ cents each from the Hi-Flier Manufacturing Company, of Decatur, Illinois.

Full Steam Ahead!

When the banks closed last March, the

prizes, ranging all the way from small, personal articles to expensive pieces of furniture, fine pieces of jewelry, leather goods, silverware, etc., including toys and other articles for children.

In previous contests Royal salesmen had concentrated on winning the purely luxury items. This year, however, the demand has been for useful items, such as clothing, articles for the home, etc.

In order to sustain interest and maintain a continuous sales drive, during the last month of the contest, June, the leading salesman for each week in each of the larger branches was awarded 500 additional credits toward prizes.

Contest Promotion

The "Full Steam Ahead" contest was promoted from the home office in New York by posters, weekly bulletins and the company house organ, "The Royal Standard." All promotion material was forwarded to branch offices and was, of course, supplemented by personal work with the salesmen on the part of each branch manager.

The bulletins featured unusual sales records of individual branches and reprints of especially constructive articles gleaned from various business magazines. The house organ struck a more personal note and featured, among other things, a series of humorous cartoons with appropriate copy. Here, for example, is a bit of copy which was run under the sketch of an embarrassed young man being called to account by a very indignant wife:

"And here we have an unfortunate salesman trying to explain to the Missus why he failed to get that sterling silver dinner set in the 'Full Steam Ahead' Treasure Chest.

"The Missus is saying, 'Joe Williams brought his wife a beautiful wrist watch and Bill Smith brought his wife a handsome davenport, and you, you Worm, you bring me home a necktie-holder.'

"Well, honey, let me explain . . .

"Don't try to explain to me, you brute. I called up your Manager and he told me your office had the best month in years. What's the matter with you? Answer me that! A necktie-holder, of all things!

"P. S.—The moral is obvious. Full Steam Ahead, Husbands!"

Results

Because of the recent widespread business improvement, it is difficult to draw any definite conclusions as to the effectiveness of a contest which began last March. However, this contest was for Royal branch salesmen only, selling standard machines, and did not touch the thousands of dealers who sell the portables. It seems significant that the increase in branch office sales was 98 per cent greater than that of dealers. In addition, branch sales increases of April, May and June, 1933, over the same months of 1932, were 50, 100 and 75 per cent, respectively.

Royal Typewriter Company took advantage of the lull in business to formulate a 1933 campaign to its branch salesmen. This campaign was given the happy title of "Full Steam Ahead!"

Convinced that the leading companies of 1933 would be those which got off to a flying start, Royal determined to inspire every ounce of effort from its salesmen during the crucial months of April, May and June. To do this, a special prize contest was conducted during those three months.

An elaborate book of prizes was sent to each salesman at his home. The prize book pictures and describes hundreds of

Excerpts from Unfair Practice Codes

(Continued from page 68)

Quantity Discounts:

"Quantity discounts may be allowed from published prices provided such discounts are published as part of the manufacturer's price lists."

Direct to Retailer:

"To make direct delivery to retail stores or to member stores of chain or voluntary groups unless a differential in price is added to the regular published price to cover the cost of such additional service."

Consignment Selling:

This is banned in some codes, in others restricted, as, for example, "To sell from consignment, except at prices sufficiently higher than the regular published list price to cover the cost of warehousing, handling and extra accounting."

References to Competition:

"To make, cause, or permit to be made any false, untrue, misleading or deceptive statements by way of advertising or otherwise, concerning the grade, quality, character, nature or origin of a manufacturer's products or of the products of a manufacturer."

Profitless Selling:

"It shall be an unfair method of competition for any manufacturer or distributor of products of the industry to sell below his cost of production." (Uniform accounting must be developed in every industry to make this mean anything.)

Supplying Information:

"Each manufacturer when called upon to do so by the counsel for the association shall promptly and truthfully report to the said counsel all of the facts respecting the amount, prices, terms and discounts, when, where and how delivered and name or names of purchasers as to any specific sale, or of all sales."

Wholesalers' Tie-Up:

The wholesale grocers incorporated in their code a special clause relating to codes of allied industries: "This code is prepared to control sales by wholesale grocers and is presented on the assumption that related and allied industries, such as manufacturers of food products, corporate chain stores, voluntary wholesale or retail chains and retail grocers, will adopt codes consistent herewith and containing similar provisions, and the right is reserved when and as codes of such industries are pre-

sented to make changes herein by way of elimination or addition or in such other way as may be proper to conform with practices of these industries."

Profitless Selling—Retail:

The National Retail Dry Goods Association's tentative code covers this point as follows: "It shall be unfair competition under the code for anyone to sell or advertise any merchandise at less than the net invoice cost plus 10 per cent to insure that labor cost shall at least be partially covered. This rule, however, is not interpreted to prevent seasonal clearances of merchandise, or perishable or damaged goods, so advertised and plainly marked."

Mickey Mouse—Salesman

(Continued from page 65)

Full advantage was taken of this by entitling the children to a certain number of votes for every 25 lids saved.

To sustain interest the Mickey Mouse monthly magazine (available to all the Mickey Mouse licensees, incidentally) with the back cover containing a Mickey Mouse merchandising message from Southern Dairies, is sent to dealers. Not for a moment has the dealer's interest been allowed to lag. Each month something new is announced. In June it was a new flavor combination—fresh strawberry and vanilla, with a new Minnie Mouse lid. Other combinations will follow.

Of Hickok's experience with their line of Mickey Mouse belts, jackets and garters, S. Rae Hickok says, "For the most part our dealers all over the country featured the Mickey Mouse articles in a very big way. One reason for this, I believe, is that they are able to make colorful and attractive displays of the merchandise. Our sales on Mickey Mouse items have been very large in comparison with the more staple numbers in our boys' lines, and even through the depression our retail prices were maintained so that on these items the dealer was able to make more than his average mark-up and still increase his volume."

One of the interesting phenomena of all this Mickey Mouse business is the way the various sales activities and the motion pictures all interplay and help to promote one another. Retailers very frequently jump at the chance to display Mickey Mouse merchandise during runs of the Disney pictures at local theaters. When Worcester, Massachusetts, recently held a city-wide sales promotion and general

Advertising—Retail:

The N.R.D.G.A. covers misrepresentation in this way:

"Advertising (written, printed, radio, or display) which misrepresents merchandise, values or services; or selling methods which tend to mislead the consumer, shall be deemed acts of unfair competition."

"Retailers shall be free to advertise their own goods, their own services, and their own prices, but reference to the goods, services, or prices of competing retailers shall be regarded as an act of unfair competition."

"The use of, participation in, publishing or broadcasting of any statement or representation which lays claim to a policy or continuing practice of generally underselling competitors is an unfair and uneconomic practice."

municipal carnival, they sought Disney's permission to call the event "Worcester Days with Mickey Mouse." All Mickey Mouse merchandise got a great play by local dealers during those days, and now, where there formerly had been but one theater in Worcester contracting for Mickey Mouse films, United Artists have five.

This same interplay is evident now in the campaign Southern Dairies have under way in which children save lids and receive any of several premiums. In selecting the premiums the company has taken full advantage of the available Mickey Mouse merchandise produced by other Disney licensees: handkerchiefs, horns, kites, sand pails and Ingersoll watches and clocks. Thus does one Mickey Mouse hand wash the other all the way down the line.

Media men are looking with interest upon the various Mickey Mouse merchandising experiments because each licensee almost immediately becomes a newly created or resuscitated advertiser. The March number of "The Boys' Outfitter" carried 10 advertisements of Mickey Mouse items with special boy-appeal, among them those sponsored by Hickok, Borgfeldt, Kay-nee and Charles Tobias & Bros. Each introductory Southern Dairies advertisement, which appeared in all cities in the territory covered by the company, was followed by additional schedules. Mickey Mouse soft drinks are in the newspapers down South, and Einson-Freeman, makers of Mickey and Minnie Mouse masks for premiums, are supplying large quantities to Quaker Oats and others for use in current campaigns.

Media and Agencies

Mr. Draper's Digest

"People are better informed now," said Arthur Stimson Draper, than they were when the *Literary Digest* was born, on March 24, 1890, to tell them what newspaper editors were saying on both sides of important questions. Mr. Draper inferred that if the people had the facts they could draw their own conclusions. He did not go so far as to say, however,



Blank-Stoller Photo
Arthur Draper

that newspaper editorial writers no longer are necessary. It was that hot Thursday morning, when the "new" *Literary Digest* appeared on the newsstands. The ancient offices in Fourth Avenue did not appear much different. But there was an air of cheerfulness which defied the weather. Mr. Draper himself, the new editor-in-chief, fondled his adopted child rather proudly. Perhaps *fondled* is not the word, for though the man is gentle (large and somewhat pink and athletic and alert; probably given to golf after hours, but not to golf's profanities), he is hardly demonstrative. He suggested resolution. He did so in spite of the fact that his first issue of 40 pages and cover carried only six pages of paid space, whereas the previous issue, of 32 pages, had had eight.

He exhibited his handiwork. Instead of a painting by an early Flemish master, or at least by a member of the National Academy, there on the cover was a photograph of Mr. Roosevelt. Mr. Roosevelt appeared against a red background. The "y" of "Literary" had been emboldened and the "g" of "Digest" had lost half its lower circle. There was a certain masculinity about the first impression.

Inside one read in the *Digest* for the first time contributed and signed articles. The first was on the New Deal. Mr. Draper is quite impressed with the analytical possibilities of the deal. There will be, all told, 17 or 18 articles on it by Washington correspondents of various newspapers. The New Deal in the Army, the New Deal in the Navy; in agriculture and in finance; perhaps in the Children's Bureau of the Department of Agriculture.

Half a dozen articles in the first issue were signed. There were also plenty of news shorts. There were profiles of people who, said Mr. Draper, "stand out from the crowd." There was more emphasis on sports and finance. Whatever quotes from other papers appeared seemed mostly in the scientific, artistic and religious sections.

Mr. Draper regards the new *Digest* as a national weekly newspaper. There will be a lead news article in each issue. The cover illustration—which may be a photograph, a caricature or a cartoon—will tie-in with this story.

Full-page space in fourteen large city newspapers was taken July 1 to tell of the new program. This newspaper campaign, Mr. Draper said, will continue.

Fifty years old, and quite gray now, Mr. Draper has had only one journalistic connection before joining the *Digest*. He started writing for the *New York Tribune* (now the *Herald Tribune*) while at New York University, went to work there as a reporter a week after his graduation, and stayed for 28 years. From 1915 to 1925 he was London correspondent and European manager; for the last six years assistant editor.

Quarterly Glorifications

With two more emulators now appearing, one need not look up the lineage records to know that *Fortune* must be almost as prosperous as its name implies.

Dais, glorifying drugs and toiletries, at \$1.50 a copy, has just made its appearance under the auspices of Weil, McGinniss & Sloman, Inc., New York, and another quarterly, *Esquire* (50 cents) will make its bow in October. *Esquire*, for men, is being supervised by the same group who have made so much progress with *Apparel Arts*, now entering its third year, and the newer *Home Furnishing Arts*: David A. Smart, president; William H. Weintraub, publisher; Arnold Gingrich, editor.

Theodore Weil, George S. McGinniss and Richard J. Sloman have been syndicating R. H. Macy and Marshall Field advertising copy, art and layouts—minus, of course, the names of these stores—to some 600 other department stores throughout the country, who wanted equally persuasive appeals but could not afford to pay, single-handed, the full price of the experts involved. In an article on Macy in *Fortune* a year or two ago, these duties were mentioned. The three became devoted readers of that magazine. In their contact with department stores they thought that cosmetic and drug buyers would like more interesting and complete information about these products. They also saw 300 or 400 advertising prospects among manufacturers who, they believed, wanted to make more eloquent and permanent appeals to this group.

So they started *Dais* (a "dais" is a raised platform for the benefit of honored guests or presiding officers). They took Burford Lorimer (son of the George Horace Lorimer of Curtis Publishing) from *Advertising & Selling*, made him editor; appointed Alex D. Sniffen, art director, and Richard Mooney of their own organization, sales manager, and went to work.

They decided to circulate only to the drug and cosmetic buyers and executives of the "better" department stores (856 stores to be exact) and to retail druggists rated at more than \$20,000. Thus their potential circulation was not large—between 11,000 and 12,000—but it was quite "quality" as far as drug and cosmetic buying power went.

The advertising rates are proportionate—\$450 a page on black letterpress or offset to \$660 four-color offset.

Esquire, on the contrary, will have an initial circulation of 100,000—underwritten by department stores and men's shops in leading cities, who will sell the magazine in their stores at 50 cents a copy or \$1.50 a year. The middle section will be devoted to men's fashions—sort of a con-

sumer edition of *Apparel Arts*. Then there will be fiction and sports articles by Ernest Hemingway, Bobby Jones and such.

Newspapers to Advertise

The Southern Newspaper Publishers' Association, meeting at Chattanooga, has decided to start a \$500,000 advertising campaign, in southern dailies and in business magazines, emphasizing the value of their media.

J. L. Mapes of the Beaumont *Enterprise and Journal* was elected president, and James G. Stahlman, Nashville *Banner*, retiring president, chairman of the board.

The six months' advertising campaign was voted on the recommendation of the advertising committee, headed by Herbert Porter of the Atlanta *Journal*. Fitzgerald Advertising Agency will be in charge.

The decision of the SNPA answers, in part, a question raised by Ben Wood of the Cleveland *Press* at the Promotion and Research Managers' Association meeting, in Grand Rapids, in conjunction with the convention of the Advertising Federation of America. "Why," asked Mr. Wood, "isn't it just as logical for newspapers to set aside a definite percentage of their national advertising revenue for their own advertising, as it is for national advertisers to devote a certain percentage of their sales for advertising?"

Louis Moore, New York *American*; George Benneyan, New York *Sun*; Jacob Albert, Detroit *News*, and Dan Sullivan, Pittsburgh *Press*, led the meetings. Mr. Albert was elected president to succeed Mr. Moore.

Alvin R. Magee, Louisville *Courier Journal and Times*, was chosen president of the Newspaper Advertising Executives' Association, succeeding Don U. Bridge, New York *Times*, who became a member of the board of directors. George Auer, New York *Herald Tribune*, is the new vice-president. Herbert S. Conton, of the Grand Rapids *Press*, and Fred Pearce, of the Altoona *Mirror*, were elected new members of the board.

Holdover members of the board are: Col. Herron, Irwin Maier, Milwaukee *Journal*; William F. Rogers, Boston *Transcript*, and L. A. Gaines, Jr., Richmond *News-Leader*.

Controlled Publishers Organize

Stimulated by an attempt of some ABC business papers to induce the National Industrial Advertisers' Association, in convention at Chicago, to approve only ABC papers in their advertising programs, the controlled circulation people rose in righteous wrath and formed Controlled Circulation Papers, Inc., to offer close cooperation with industrial advertising executives.

Temporary officers are Franklin H. Johnson, *Machine Design*, Cleveland, president; B. P. Mast, *Mill & Factory* and *Modern Brewery*, New York, vice-president; George H. Engelhard, *National Jeweler*, Chicago, secretary-treasurer.

The association will have no direct connection with Controlled Circulation Audit, Inc., New York. Members, however, must belong to a recognized audit bureau.

Abbott's Selective Routing Plan

(Continued from page 73)

given to his home town where it is large enough. Only infrequently is it necessary to outline a two-weeks' trip.

Trip-sheets for each trip are made up showing the town or towns to be visited each day and the total number of prospects in each. The trips are then numbered consecutively in the order in which they are to be made. Previously a list of all the prospects in each town has been prepared.

Now we are ready to present our "suggestion" to the salesman. Without saying anything about deficiencies in the past, we tell him we want to help him make more money by—

- 1—Covering territory more completely.
- 2—Covering territory more economically.
- 3—Contacting more prospective customers.
- 4—Spending time in various cities and towns in proportion to their sales possibilities.
- 5—Calling regularly and frequently on prospects with good buying possibilities.
- 6—Eliminating calls on prospects with poor possibilities.
- 7—Spending more time actually in the presence of prospects.

The "Working Papers"

Each salesman receives—

- 1—A map of his territory with the towns and number of prospects delineated and each trip outlined.
 - 2—Two sets of trip sheets.
 - 3—Two "periodic charts."
 - 4—List of towns having ten or more prospects and the percentage of each to the total.
 - 5—Two sets of sheets on which are listed all the prospects in each town.
 - 6—A carefully worded letter explaining the program and the purpose and use of each part of it; also, he is invited to improve on our suggestion.
- Copies go to his district manager, who is asked to help his salesman study the plan and suggest any desirable alterations.
- One set of the above items supplied is the salesman's own "working papers." On the other he notes his desired changes and returns it to the management. His suggestions are carefully studied.

When at all feasible they are adopted.

If they appear illogical we carefully explain why and propose some other method for his consideration. Throughout we keep him in the frame of mind that he, himself, is working

out the plan and that his management is helping him.

Finally we have the plan laid out to the satisfaction of the salesman, the district manager and the management.

The salesman, by writing his "O.K." on each route sheet, binds himself to carry it out. He is asked not to make any further alterations until he has covered the territory several times under the new plan and has satisfied himself by actual and repeated experience that some modification may be advisable.

Salesmen's Response

From then on his daily reports are checked against his routing and in case any important deviation from the schedule is noted he is asked to explain if he has not already done so. At intervals he is written, commenting favorably on his adherence to schedule and he is invited to express his opinion of the results.

The responses of the men, with very few exceptions, show that they appreciate the effort to help them and indicate a fine willingness to cooperate. A very few were somewhat perturbed when the new routing suggested differed radically from their habitual schedules, but it was not difficult to convince them that the new plan offered possibilities for getting more out of their territories.

District managers have cooperated splendidly. In no case has any salesman refused to cooperate. Very little deviation from the accepted schedules has occurred so far and there have been very few requests for further alterations after the men have finally accepted the revised routings.

As a preliminary report of our experience in routing salesmen, we can say that so far it has been very encouraging and satisfactory. By not attempting to progress too rapidly we have kept the expense at a minimum and have been able to test the economy and effectiveness of each step as we went along.

Our advisers prophesied that each man's effectiveness would be increased by from twenty to twenty-five per cent. It is too early as yet to state whether or not this will prove to be the case, but, from present indications, such a result would not be surprising.

* * *

Following are some of the comments taken from the records of the Abbott Laboratories which indicate the reactions of various salesmen to the routing plan described by Mr. Brush

in the accompanying article. SALES MANAGEMENT is permitted to use these to complete the picture. They are:

HOTCHKISS—I realize perfectly that you are arranging these routes to increase the efficiency of all of us and to make it possible for us to earn bigger and better bonus checks. I will be glad to cooperate with you.

ROSSEZ—I greatly appreciate your cooperation on this subject and will gladly return my cooperation.

WILSON—As you have given intense consideration to routing my territory for our mutual advantage I shall cover it as you advise.

ARMSTRONG—I appreciate your help and will try to follow your instructions.

HASTINGS—Your routing has helped me to get into six weeks' routings what I've wanted to do. Suggested new groupings have helped.

FUNK—I was very glad to get your letter with reference to suggestions for my territory. I fully appreciate the help you have given me.

THATCHER—I wish to thank you for your consideration. My territory can be worked very nicely in this manner.

WOODRUFF—I surely would like to make more money and appreciate your efforts to help me.

BLIX—I will cooperate with you to the best of my ability in arranging the territory to enable me to make more complete coverage and larger sales.

WAGNER—I would appreciate your drafting a plan for covering my territory. Mort Hotchkiss tells me that you did this for him and that it proved very satisfactory.

All of which indicates that the plan is looked upon by the men on the firing line as something to their advantage as well as the advantage of the house.

Five-and-Ten Transactions Predominate at the Fair

Check-up of sales at the World's Fair in Chicago indicates that records are being broken for small unit sales. Coca-Cola is sold on the grounds for 5 cents a bottle. This is said to be the first time that it has been sold for less than 10 cents at any exposition, fair, seaside resort or baseball park.

Except for a few of the cooler days the sale of Coca-Cola at the fair has averaged one sale to every two persons entering the grounds. This is more than twice the average consumption of crowds.

Crown Foods, Inc., with 60 "spots" on the grounds selling four 10-cent items—ham and hamburger sandwiches, red-hots in a bun and coffee—reports that sales have run as high as 43 units per 100 visitors.

Popcorn, at 10 cents, has averaged one sale to every five visitors. Concessions on the Midway with a gate of 10 and 15 cents have had a big play, while many charging from 25 cents up have been complaining.

C o m m e n t

IS AMERICA BEING POLITICALLY HITLERIZED?

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Ray Bill

Drug Shattered by Liggett Losses

(Continued from page 66)

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LOW RATES

Comfortable rooms-
hospitable service
.... excellent inex-
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A DAY
COURT ROOMS-THREE FIFTY

MARK HOPKINS

OR

**THE FAIRMONT
HOTELS**

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SAN FRANCISCO

YOUR BUSINESS WILL SOON CHANGE . . .

under the administration of the Agricultural Adjustment and Industrial Recovery Acts. This revolutionary legislation will affect every business in the United States.

Successful distribution will soon require the answers to many questions regarding these drastic laws.

Save yourself the time and expense of trips to Washington. A special correspondent of wide experience in the business field (11 years in the nation's capital) is in a position to procure facts and information of vital importance, and report them to business executives. Familiar with all sources of information, and with many established contacts in the departments of the Government, he will serve a few clients of the highest class on a confidential basis.

Address:

JAMES TRUE
1102 National Press Bldg.,
Washington, D. C.

Presidents under the New Deal

(Continued from page 62)

all the special rebates they had given, had just come out of their own pockets. At the finish *their share of the total* was the same as before, the only difference being that the reduced volume had increased the cost of manufacturing. Their costs were higher, their profits were less and they were all doing business at a loss.

The president's job will change in many ways under the new deal. Instead of his thinking so continuously in terms of expansion as in the past, will he not have to realize that in the period immediately ahead the problem will be one more of refinement of policies, of doing better the various functions of marketing within the given scope?

I venture also the prediction that presidents will need to find themselves much more concerned with the marketing side of business than many of them were under the old regime. A great business leader once advised me always to remember that the marketing division of a business is "the only *profit-making* function of a business." Everything else is burden. The marketing department is the mainspring without which everything else fails to produce a profit.

With price subordinated, many a concern will find its very life dependent upon the development, from the ground up, of something it hasn't had before: a truly scientific marketing plan. Anybody can give goods away, but today it takes marketing science to sell it. It takes men and media. It takes good sharp selling tools. The president who hasn't up to this time developed such a basis for his business will now have to do so or run a losing race.

Consumers Will Come First

In the working out of this general idea of a closer and more efficient attention to the actual handling of business, the writer believes greater attention will be devoted by manufacturers first of all to a study of the consumer. The next study will be in the methods of the retail dealer and his clerks in taking care of the wants of consumers.

Even where a manufacturer sells practically all of his goods to jobbers in the greater refinement of business in the future, the writer believes that this manufacturer must first of all consider the consumer and next the retailer. In making these remarks the writer does not wish in any manner to criticize the jobber. The jobber performs a service for distribution that in

many lines is absolutely necessary and economical. However, it cannot be expected in an intensified system of selling,—based not on cut prices, not on confidential insides—that the jobber will give the necessary attention to the exploitation of the real quality values of one manufacturer's line sold at the same price in competition with the line of some other manufacturer. If goods are to be sold approximately to all jobbers at the same price, jobbers will not be bribed to sell certain lines on account of confidential inside prices. The business of jobbers under the new deal cannot be bought. Manufacturers who have made a practice of buying their business will find sales sledding much harder. Salesmen with little or no training in presenting their goods to their customers, but who have depended on cut prices to sell, unless they have the ability to change their method of selling, like Othello, will find themselves without an occupation. The new deal will certainly mean better salesmanship, harder work and closer attention to details all down the line. These, and other related marketing problems, will be discussed in a later article.

Sad Fate of Development

There is another angle to this picture that is interesting to study. Under recent conditions the heads of many organizations have devoted their time and attention to almost everything except the real development of their own business. By "development" I mean a careful research into the quality, salability and consumer demand for their goods; a minute study of their advertising, product design, packages, boxes and labels; close contact and full information in regard to their customers, their methods of doing business, and especially the question as to whether they (their customers) are intelligently selling the line. These things in many businesses have been neglected by top men. These men have been too busy with their own personal affairs, their own speculations. They have delegated most of this kind of work to others and these others in turn have delegated the work so it has finally landed in the hands of the office boy. Let the writer illustrate, by a single instance, just what he means.

How often have you called on the executive of a company, a man drawing a very large salary, and when you have asked him some question about his goods, or his prices, he has immediately fumbled the ball. As a mat-

ter of fact, he could not answer your question because he did not know. So he has called in some subordinate to give you the necessary information. The woods are just full of executives of this type. They are the gentlemen who believe in the desk with the clean top, who delegate all the work to someone else. Unfortunately, in delegating this work the high official in time ceases to have any knowledge, not only of the details, but of some of the most important matters concerning his business. Some of these gentlemen who flatter themselves that they devote all of their time to thinking out policies will find there are other executives who can not only "think out policies," but also keep well informed in regard to the details of their business.

Recent years have developed this class of executives who scorned detailed knowledge of their goods. In the old days, with the older generation, it was not a disgrace for the head man of a business to be the best posted man in the organization. Under the new deal we believe there will be a going back to some of these old-fashioned ideas of being posted on your lines. Under the new deal, as the writer sees it, we are to have a new form of competition. Do not think that competition will not be as keen, or keener than ever. However, competition will change from price competition to real service and real value competition. This not only means that real service and real value must be in the line of goods, but those whose business it is to sell these goods will naturally have to have the ability to sell this service and this quality.

Other Cards in the New Deal

How will the new deal affect advertising? As advertising in the past has had little to do with price making, it would appear in the future that the field for advertising for the telling of the story of the quality and advantages of the various lines, will be largely accelerated. It will, of course, mean all down the line that advertising will have to be better and more efficient. The competition will be one of new ideas, of new forms, of new and more attractive methods.

In conclusion, let the writer say that we all hope that the new deal will not be killed by politics, by selfishness, by greed. It will certainly, to say the least, be a great opportunity to see what American business can accomplish under a system that will do away with commercial bribery (cut prices), unethical methods, short cuts, with all energy and intelligence devoted to the development of business on a basis of real service and real value.

Does Your Industry Need an Open Price Agreement?

(Continued from page 63)

industry may appoint its trade association office or any other central bureau as the clearing house and as the administrator. In industries selling direct, all bids may be cleared through the administrator, provided there are no basic prices on quantities and on types of jobs. If the industry is such that the individual manufacturer sets his prices, it is conceivable that the asking of each bid to be filed on all sizes of jobs would so clutter up the clearing house as to be impractical. Therefore, the industry may have to set a minimum size of bid, beneath which no bid is entered and thus limit the transactions in the clearing house to bids only of general interest.

What of the "Bad Boys"?

In the case of a consumer merchandise industry where there is a definite price list and fairly well set customer relations on the basis of prices in effect at the present time, it will be better to set up a system of filing at the association's headquarters data on all departures from the published prices and terms of the member companies. As these come in to the central office from individual members, they are quickly transmitted back to the whole industry. This system quickly points out who the chisellers are and it is wise to ask the company which files a price other than the normal one of the whole industry why it did so. This makes it difficult for the salesman who quotes a cut price from sheer panic.

Since the promptness of filing of prices is the real essence of the system, the administrator should make it mandatory on every member to file a price as soon as it is quoted, if this procedure is approved by the Recovery administration—at least as soon as such a price "exception" is established by a definite sale. In return for this prompt action the headquarters office must develop a technique of shooting the data out to the membership as quickly as possible.

At the present writing General Johnson's office has not specified to what extent an industry may enforce open price operation. However, it is obvious that if Washington favors the general idea, it will look with disfavor on those recalcitrants who weren't in sympathy enough with the Washington Administration to cooperate with the majority of members of their industry. For the time being, that ought to be a sufficiently strong weapon to make the bad boys behave.

For Men That Sell!



... the first necessity is the proper "clean-cut" aggressive appearance.

Then with a good product—the right sales policies and consumer advertising—you can cash your checks on Saturday.

It has been our privilege to clothe successful business men in many industries—one might say we specialize in clothes that make successful young business men—not to forget the fathers.

It will be our pleasure to show you—or write you about—our selection of imported fabrics, explain our designs, tailoring and workmanship.

\$75 will buy to-day what it may be necessary to charge \$100 for to-morrow.

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EQUIP TO SELL

... Your sales story will be more attractive, more effective, when presented in any one of several styles of Burkhardt Visual Display Binders . . .

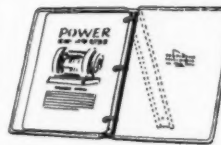
TRI-ANGLE

Displays your sales story at eye-level—easy to operate—folds compactly when not in use. A great help to every salesman. Standard sizes in stock ready to ship; attractive prices.



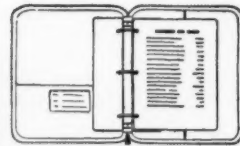
TRI - PURPOSE

Ring or Tongue Type May be used, flat—upright—or conveniently held in hand. Prop, when not in use, becomes part of backbone. Standard sizes.



SALES-KIT

Ring binder portfolio, with Hookless fastener. Zip and it's ready for action—catalogs, reports, order forms, price lists are instantly available. One-piece construction—solid cowhide or extra heavy Leather-cloth. Stocked in letter size.



SEND FOR illustrated folders on above Visual Display Equipment or any standard binder—ring, tongue, angle-back, etc.

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These most valuable booklets of the month will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.

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Markets

Dubuque, Iowa: A. N. P. A. Standard Market Form, published by the *Telegraph-Herald* and *Times-Journal*, for a potential trading zone market of over 282,000. Zone comprises counties in northeastern Iowa, southwestern Wisconsin, northwestern Illinois, illustrated by an accompanying map in color.

Honolulu, Hawaii: A. N. P. A. standard market form, published by the *Honolulu Star-Bulletin*, revised to 1932, just received. Write direct, or this department.

Chester, Pennsylvania: A. N. P. A. standard market form, published by the *Chester Times*, for one of the leading industrial centers of Pennsylvania, available on request.

Window Advertising

Window Advertising: Very few manufacturers use window display as an advertising medium. A number do window display work as a form of dealer help, it's true. But to consider windows as advertising media—to arrive at fairly accurate estimates as to relative value of locations, without regard to whether or not the point-of-purchase idea governs—and to set up circulation standards comparable to those of the other forms of advertising is something else again. Until recently it has been difficult to assign so definite an advertising task to window display, largely because of the lack of organized selling and servicing organizations in the field. Window Advertising, Inc., and Associates offers this brief, well-illustrated study on the medium itself and on the organization which is prepared to do a national display job, with display associates in every state in the Union, and Canada. In "Sales Spot Advertising," recently reviewed in this department, an analysis was made of the relative cost of window display "impressions" judged by newspaper, magazine, radio, etc., standards. This comparison is elaborated upon somewhat in the booklet now under discussion, and in addition a complete statement of the type of service which the organization is prepared to give, makes the book well worth while. If dealer-help service can be combined with window postings as accurately standardized for "sales-impression" value as those of

outdoor postings, the service is assuredly worth serious investigation.

Radio

Odds On Radio: The Columbia Broadcasting System has attempted to bring into the open a number of advertising "John Henry" legends on the prowess of the air waves as selling agents, in this brochure. It names names, digests dates, dollars, and dealer reactions. Covers with case histories examples of radio effectiveness in campaigns on drug products, cosmetics, electric equipment, gasoline, apparel, automobiles, toilet goods, confectionery, food products, shaving cream, silverware and jewelry, radio sets. Adds comparisons on circulation, recollection, buying power and dealer influence. That radio does pay long odds to those who use it wisely is the conclusion, as might be expected.

WCAU: Standing on busy, fashionable Chestnut Street in Philadelphia is a brand new, modernistic temple of radio, one of Columbia's finest. For many listeners it is the station Boake Carter made famous. Its architectural and technical glories are described and pictured in a booklet which is quite up to the many standards set by this station. Not the least of the points which make it well worth securing is the newfangled spiral wire binding, which, while still a novelty in the booklet and catalog field, suggests many uses for the alert advertiser. The edition is limited—better request your copy quickly.

SALES management

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853 Broadway, New York
7 Water St., Boston

HAPPY DAYS! Are Here Again

THE STANDARD ADVERTISING REGISTER
GIVES THE ESSENTIAL DETAILS OF
NATIONAL ADVERTISING ACCOUNTS

It is issued arranged by

Product Grouping or Geographically

You can have your choice

The Standard Advertising Register has been
the STANDARD for 18 years.

The Register - Revision Service - Agency
List - Weekly Reports etc.
— All in Handy Compass —

GET THE REGISTER — GET BUSINESS
National Register Publishing Company

OFFICES

140 So. Dearborn St., Chicago
235 Montgomery St., San Francisco

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display.
Cash Basis Only. Remittance Must Accompany Order

EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-three years. Send only name and address for details. R. W. Bixby, Inc., 118 Delward Building, Buffalo, N. Y.

HELP WANTED

ASSISTANT SALES MANAGER WANTED: prefer man 30 to 40 for job requiring 30% traveling, 70% office, sales correspondence including some creative promotion work. Experience in building materials or architectural field preferred. Write briefly outlining experience and stating compensation desired. Location Northern Ohio. Address Box 379, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

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NIRA

gives your catalogue
A BIGGER JOB



*Concurrent with its aim to increase
employment and purchasing power,*

NIRA provides for:

- 1 Competition on basis of honest quality and service.
- 2 Prevention of ruinous price cutting.
- 3 Rewards for efficient management of production and selling.

NIRA does NOT provide for:

- 1 An assured volume of business.
- 2 Price fixing—except when necessary to prevent below-cost selling.
- 3 Profit for inefficient businesses.

Conclusions:

- 1 Buying will be selective, on basis of quality.
- 2 Price will cease to be the prime consideration.
- 3 Rewards will go to those who make the best job of selling quality at a fair price.

THE BUILDING INDUSTRY is peculiarly favored under the National Industrial Recovery Act. Not only does it share the benefits which will accrue to all industries and to the public, but it participates directly in planned Federal expenditures of \$3,300,000,000, nearly a third of which will be spent for building projects. Marked recovery in private projects is already under way. Now, if ever, is the time to put a new, up-to-date *and adequate* catalogue to work—while selling opportunities are in the making.

Sweet's Service is equipped to put your orders into immediate effect. An experienced staff is ready to prepare, or to assist you in the preparation of the most effective catalogue for your particular needs. Individually bound copies will be printed at once and sent to you for immediate use. Later, your catalogue will be distributed, filed and



indexed in Sweet's Architectural Catalogues for 1934, now being compiled, in which it will be distributed to and maintained in 13,000 offices of architects, engineers and contractors who control public and private building of all kinds. Our district manager in your territory will be glad to tell you in detail of the advantages and economies of this service.

SWEET'S CATALOGUE SERVICE

Division of F. W. Dodge Corporation

119 West 40th Street, New York, and principal cities

The Human Side



God's Store in Texas

One of the strangest experiments in the history of merchandising—selling at "cost plus donation"—was started in Waller, Texas, nearly twenty years ago. It has succeeded; been found profitable. It is called: "GOD'S MERCY STORE."

A. D. Purvis, proprietor, was a farmer toiling in the sun-baked fields of Texas when he conceived the idea. He is a religious man, a free-lance thinker, without denominational adherence. He says that the thought came to him as an inspiration.

He opened a small, modest place of business, with the crudest of fixtures, in a one-story barnlike structure. He put up a sign:

"All goods here are sold to you at cost. Nothing is added as profit. The store is kept by free-will offerings and anything you add to your purchase is received with thanks."

He explains, if you question him, that 4 per cent is added to the buying cost for "overhead"—clerk hire, electricity and necessary small costs. The buyer may donate, or not, as he chooses when the transaction is finished.

Almost everyone does, he says, and out of these offerings he has steadily expanded his business and his service. From his first little grocery he has gradually added other modest units—a feed store, a meat market, a general merchandising section, a barber shop. Mr. Purvis carries solid, well-chosen, quality merchandise, selected with eye to rural requirements. His purpose, he says, is "to serve God by serving men."

The store is on the main highway between Dallas and Houston. It is known widely throughout the southwest as "God's Store." Many travelers stop to buy, lured by the novelty of the place. Skeptics often ask Mr. Purvis if he does not find many anxious to "get without giving."

"Human nature is mostly kind and good," he replies. "I find my pleasure in serving. My customers find pleasure in putting their own value on my service. We are all happy."

In Which the Desert Blooms

For years Maytag district sales managers made half-hearted attempts to sell some Maytag washers in Newton, Iowa, and the surrounding territory in Jasper County where the Maytag factory is situated. However, since Newton has a population of only 12,000 and some 40 per cent of them are employed by Maytag, Jasper County has always borne the stigma of being the deadest of dead territories.

Regional Manager Frank J. Breaw decided this neglect of the home county had been going on far too long. He called on S. S. Marshall, who has a hardware store on the north side of the square in Newton (who had a Maytag franchise but had sold, in several years, only one machine and that to himself) and "propositioned" him. He wanted Marshall to put on a real drive for Maytag business right there in the home town.



Said Hardwareman Marshall, "I don't believe the business is there, but I'll try."

Breaw sent for Johnny Vogt, who had been selling Maytags elsewhere for several years. He asked Vogt to help Marshall with the drive. On May 1 the campaign started. The first week it rained steadily and contact and canvass work was tough going. Six weeks later, when the campaign closed, 26 new Maytag washers had been sold. Every sale had been made in or around Newton, where "there was no washing machine business."

In canvassing for Marshall during the drive, Vogt had one appointment in the country for 5:00 a.m. He said, "I knew this family always rose with the dawn, so I determined to be on time. When I got there at 4:30 the water was boiling hot and the lady was just ready for me."

Yet some salesmen complain when they are asked to get one call in before 10:00 o'clock in the morning, and some factories wail about business when they haven't pulled in the orders off their own front steps.

Personal From Mr. Denby

Readers of the sport pages in Chicago newspapers the other day found this—

PERSONAL—I would like to locate the fat man in white duck pants who rode the Sky Ride at the World's Fair last night about 8 p.m. and threw cigar out of window. Communicate with me and I'll show you a 5c. cigar you can smoke clear to the end—mild and fragrant.—Charles Denby Cigars. All long filler, too. R. S. D., Box 17.

Since then other similar ads have appeared. R. J. D. advertises for the box of Charles Denbys lost out of his Buick roadster. Fred advertises that if Grace will meet him tonight he'll reform; smoke only Denbys.

Mitchell, Faust, Dickson & Wieland report that they have been using this stunt as an "interest getter" in various spots throughout the central west. People are looking for the ads and kidding about 'em, they say.

Box Car to Dotted Line

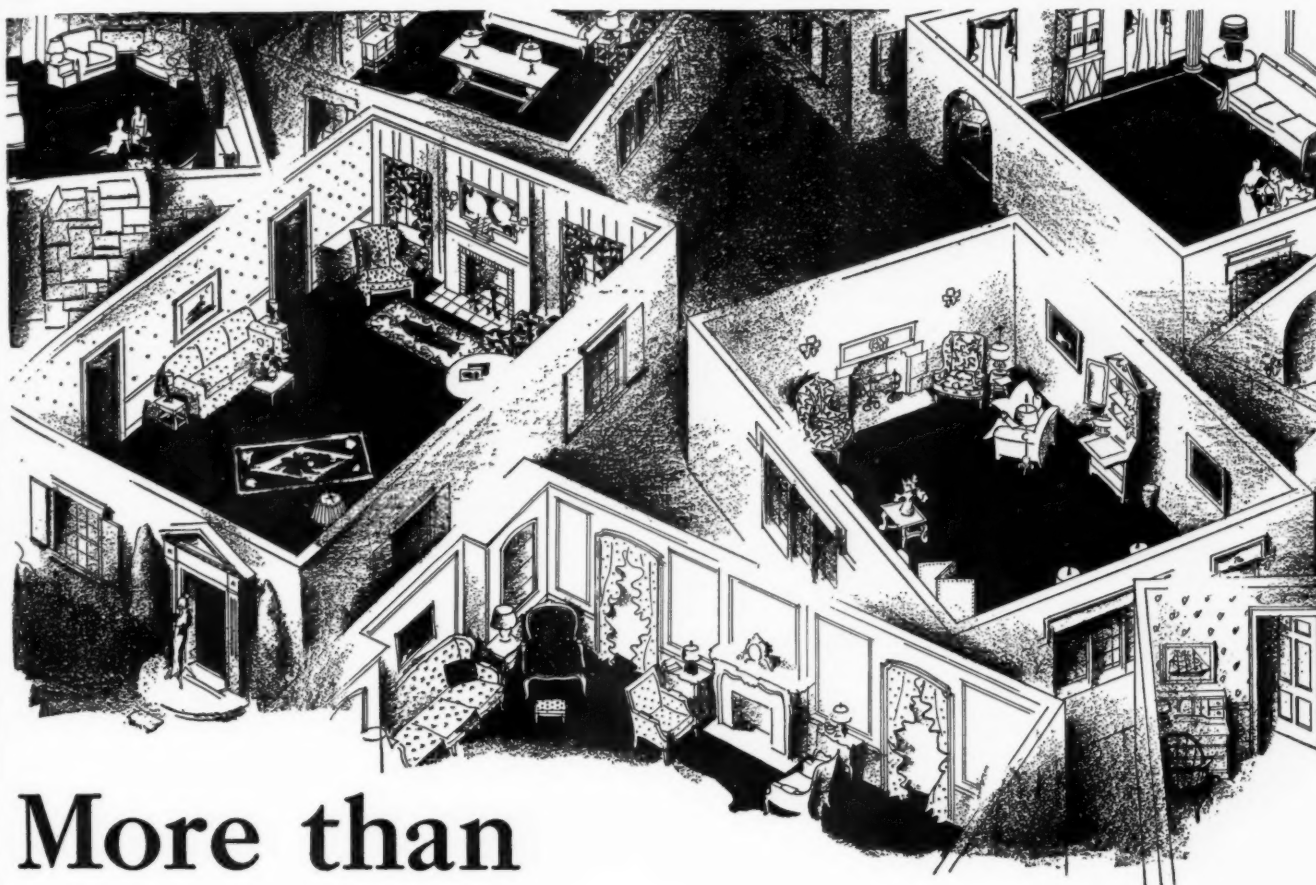
- 10:00 a. m. Freight depot at Winnemucca, Nevada (Pop. 1,989), phoned Stevenson Drug Company, local Westinghouse dealers, that a shipment of refrigerators was in.
- 10:10 a. m. Stephenson phoned prospect, asking permission to demonstrate.
- 10:11 a. m.—Prospect agreed.
- 11:00 a. m. Refrigerator picked up at depot, taken to prospect's home.
- 11:15 a. m. Demonstration made.
- 11:30 a. m. Contract signed, refrigerator in operation.

Stephenson, et al, thereby stake claim to the '33 record for speedy turnover. Any challengers?

Wanted: Dancing Teacher for Mice

Any business that gives a free service is more often than not penalized for its charity. At least such is the experience of the Buyer's Service, maintained since 1918 by the Reuben H. Donnelley Corporation, telephone directory publishers and national distributors. This Buyer's Service, originated to supplement buying information listed in the classified directories published by Donnelley, has been called upon to serve the housewife and the crank in the solution of many unique problems.

Mistaking the Buyer's Service for almost every-



More than 400,000 living rooms!

WE'RE thinking of well over 400,000 Chicago families—families in every income level.

Buying has been put off. But refurnishing is under way . . . with business picking up, men going back to work, salary checks certain.

The living room comes first—the room the family entertains in. But the whole house needs sprucing up—dining room, bedrooms, bathroom, kitchen.

* * * *

This vast group of more than 400,000 families reads the Chicago American every day. Aggressive advertising of household equipment will get in-

creased acceptance in this huge market now.

This American market responds. Proof: For six consecutive years the Chicago American has led all Chicago daily newspapers in furniture advertising lineage.

* * * *

Conservative estimates show that the average Chicago home spends \$1300 a year for merchandise. That means just this: Chicago American families are going to spend at least \$500,000,000 during the next year.

This fact alone proves that to do a major merchandising job in Chicago the American must be used.

YOUTH SPENDS

TO get ahead, to earn more and spend more, to be thrilled with life and to enjoy it to the full—these are the desires of the "younger" market which distinguishes the Chicago American.

The Chicago American caters to "those who are or who think under 40". It is completely modern . . . presents with a flair the human interest, romance, drama in the day's events. Only in this light can its readers be understood, and their greater urge to spend appreciated.

CHICAGO AMERICAN

a good newspaper

and A MIGHTY MARKET FOR MERCHANDISE

National Representatives: Rodney E. Boone Organization

SALES management

Vol. XXXIII. No. 3

August 1, 1933

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See last page for subscription rates, etc.

thing but what its name implies, people call up to find out what to do with a sick canary, where to market a snowplough, how to cremate a cat.

Located on the 18th floor of the Central Zone Building, Buyer's Service is consulted by Hong Kong, Moscow, Buenos Aires, London, Brisbane, Cape Town. Where to buy office space, where to locate a structural engineer, where to buy 100,000 pairs of children's mittens, size 4, where to buy 300 whistling tea kettles, where to find a chemical substitute for meat, a trained elephant, or a bottle of fish-oil—inquiries covering every phase of industrial, social and home life—are filed and responded to at the rate of 150 a day by a staff of four telephone operators—and two girls who handle the mail and personal calls.

"Not long ago," according to Miss Mathews, who heads the service, "a party wanted to locate someone who could teach white mice to dance. This would have been easy ten years ago, but times have changed. People have different forms of amusement nowadays. However, we finally located a dancing instructor for mice in Buffalo."



The Service didn't bat an eye recently when a buyer from Italy expressed a want for 'steen gross of old-fashioned comb and brush sets—the kind you hang on the wall. Donnelley's found 'em. And they came through, too, with the donkeys and monkeys a circus-minded politician wanted for his political parade.

Zwieback Around the World

Two years ago John R. Cominski, advertising manager of the New York Times Sunday Magazine, saw in the Times rotogravure section a picture of Wiley Post and Harold Gatty starting on their record-breaking round-the-world flight. Under Post's arm, very visible in the picture, was a package of Loose-Wiles zwieback, a sustaining toasted bread. Cominski had handled considerable L-W advertising. That picture looked to him to be a promotional natural. (See reproduction, page 123.)

He called the photograph service which had supplied it. Yes, it was all right with them to use the picture commercially—with the consent, of course, of the subjects. The subjects at the moment were somewhere above Siberia.

Cominsky got in touch with W. W. Wachtel, then manager of the sales department, now vice-president in charge of sales of Loose-Wiles. Wachtel saw possibilities. But he was doubtful whether Post and Gatty would successfully complete their flight. While he was making up his mind, word came that the fliers had reached Alaska.

Wachtel and staff suddenly became very busy. Newell-Emmett, the company's agency, went to work on the copy. A dramatic advertisement was ready when Post and Gatty reached New York.

Then a new problem arose. In the thick of receptions and parades the fliers were hard to find. Finally Post was run down in the midst of a group in the office of James J. Walker, then mayor of New York. A legal release of the fliers' names for the advertisement and a substantial check were thrust under his nose. Post took the check and signed the release. The ad appeared in the Times the next morning; later in other newspapers.

Again on Saturday, July 15 of this year, there appeared in the Times a story of the emergency rations carried by Post on his present flight. One of the items was zwieback. You can guess the brand.

Significant Trends

As seen by the editors of Sales Management for the fortnight ending August 1, 1933:

We Face the Test

Production and prices have gone up since March as rapidly as any one could wish, but we have to buy new goods and pay old debts with income and not with prices. It is probable that a belated recognition of this truism had a lot to do with bringing about the panicky drop in security and speculative commodity prices, and yet within the very near future, if the recovery medicine works, prices are almost sure to go much higher. Everything hinges now on raising the national income, and spreading it out more evenly. The machinery to accomplish this has been oiled and primed, and the wheels have started to turn.

• • • The ultimate aim of the Administration is exemplified in the cotton textile industry. If consumption permits a continuance of the present rate of operations the new code will require the factories to employ 530,000 workers, which is 83,000 more than the average employed in 1929. Consumption cannot keep up with production in this or any other industry unless wages go up and employment increases in *all* industries—and so the attack on a united front.

• • • The French and the English, who saw the 1929 break coming long before we saw it here, regard the recent spill in our speculative markets as a healthy but temporary break. They believe that in the long run it will benefit this country to have stock prices brought to a sane level now rather than have the country risk a more serious relapse next Autumn or Winter. Up to the point of the relapse the rising prices were in the main anticipatory—of better profits in business and of general inflation. Now our markets are in a position to rise healthily, as a result of a steady and lasting increase in production, sales and profits.

• • • Aside from the speculative markets there has been no appreciable Summer slackening. The distribution index, as measured by carloadings and bank debits, has increased its gain over last year, and production figures have not shown normal hot-weather recessions. Steel and automobile output are down only a point or so. There are no published figures which indicate unhealthy inventories in any lines which are traceable to current production. They were down to such a low, abnormally low, point in almost every line that it was perfectly healthy to see production proceed during the last two months at a rate considerably higher than consumption. But if purchasing power does not pick up by the early Fall we shall be in a critical state.

• • • We think purchasing power will improve, and that the net results of the Recovery Act will be beneficial. Planned economy certainly deserves a trial, after the miserable failure we have made of every man for himself. During the transitional period there will be many who will be harmed. That is inevitable. But if the program does bring about a larger national income, and if that income is distributed in a more widespread fashion, it will be

The first real test of the recovery program lies immediately ahead.

a boon to all sales organizations. For example, we know of a certain man whose income did not fall below \$250,000 during any year of the depression. He is a manufacturer and his business was hurt—hurt to such an extent that he closed down his plant and fired most of his employees—one hundred of them—while he sat back and lived on the return from his investments. His erstwhile employees lived on meagre savings for a while, then on borrowings from friends and relatives, then on a dole or other forms of charity. His purchases went on as before; theirs were almost nil.

• • • We are not preaching Socialism, and we do not begrudge our friend his quarter of a million income, but we do maintain that it is A-B-C economics to argue that if the hundred fired workers had annual incomes of \$2,500 each it would be far better for business—looking at it from a pragmatic and thoroughly selfish viewpoint. Our wealthy friend was a market for perhaps six tubes of toothpaste a year, ditto for shaving cream, perhaps one automobile, no new house because he already had a good one. He couldn't eat up or dress up his income. But if that same amount of money were available to the hundred workers, manufacturers of the products mentioned above would have had a market nearly a hundred times as large to shoot at. The present trend toward decentralization of wealth strikes us as being a blessing to private capitalism, rather than the reverse.

The New Theory of Government

A news commentator said the other day that in Coolidge's time it was not considered necessary

that the Administration do any thinking, that Hoover made the mistake of trying to do all of the thinking himself, and that Roosevelt's success is due in a large measure to his associating himself with other brainy men and listening with an open mind to their opinions. One of the men whose opinions command attention and respect is Dr. Rexford G. Tugwell, Assistant Secretary of Agriculture. His philosophy of government was expressed in an address he delivered on June 24 at the Eighth Annual Meeting of the Federation of Bar Associations of Western New York. We recommend it to those of our readers who want a clear exposition of the goal towards which the administration's policies are directed. A copy may be secured by writing to the Department of Agriculture. He sums up his conception of what government should be in these words:

• • • "At the center of this constitutional law was the conception of government as policeman. Government was to stop flagrant abuses, and no more. It should be negative and arresting, not positive and stimulating. Its role was minor and peripheral. It was important in this one sense: It was to prevent interferences with the competitive system. Behind that system (so it was said and thoroughly believed) was an invisible hand which beneficently guided warring business men to the promotion of the general welfare.

● ● ● "The jig is up. The cat is out of the bag. There is no invisible hand. There never was. If the depression has not taught us that, we are incapable of education. Time was when the anarchy of the competitive struggle was not too costly. Today it is tragically wasteful. It leads to disaster. We must now supply a real and visible guiding hand to do the tasks which that mythical, non-existent invisible agency was supposed to perform, but never did.

● ● ● "Men are, by impulse, predominantly cooperative. They have their competitive impulses, to be sure; but these are normally subordinate. *Laissez-faire* exalted the competitive and maimed the cooperative impulses. It deluded men with the false notion that the sum of many petty struggles was aggregate cooperation. Men were taught to believe that they were, paradoxically, advancing cooperation when they were defying it. That was a viciously false paradox. Of that, today, most of us are convinced, and, as a consequence, the cooperative impulse is asserting itself openly and forcibly, no longer content to achieve its ends obliquely and by stealth. We are openly and notoriously on the way to mutual endeavors."

The Trend of Retail Sales

respondents in all sections says: "Retail sales have continued steadily upward with new records for the current season being made in agricultural districts where early crops have been marketed. In fact, buying appears to be increasing more rapidly than it decreased during some stages of the period of economic readjustment, with the peak of the movement becoming removed further each week."

● ● ● Contrary to normal seasonal volume, dollar sales of household refrigerators in June showed an increase over May, the month in which peak volume has been reached in former years.

● ● ● The various communication divisions provide a good index of business improvement. For eleven consecutive weeks freight car loadings have bettered the same week last year, with the totals now running more than 100,000 cars ahead. . . . For the first time since 1930 the American Telephone & Telegraph Company is handling a greater number of long distance calls than in the same period of the previous year, and for four consecutive months there has been a betterment in the net loss of telephones in use. In the second quarter of this year gross revenues and net income of the system were better than in the first quarter—the first time since 1930 that this has happened. . . . Air travel is breaking all records. American Airways set an all-time record for any American air line in June by carrying 14,405 passengers, and in the same month established a new high in air express poundage for the second consecutive month.

● ● ● June newspaper advertising, according to the record of 52 cities, as compiled by Media Records, Inc., ran at the rate of 93 per cent of the same month last year. Retail advertising was 97 per cent; general, 89.6; automotive, 100.6; financial, 100.9; department store, 99.3.

Everyone knows that production has increased sharply; this is a good sign if retail sales pick up soon. Dun & Bradstreet's summary of wired reports from cor-

● ● ● Final six-months figures of the Plymouth Motor Corporation show sales of 130,117 units, an increase of 4.3 per cent over the entire year of 1932. During July the factory had average advance orders for more than two weeks of production. The 40,000 employes of the Chrysler Corporation received a 10 per cent wage increase this week.

● ● ● Higher-priced cars are also moving better. Pierce-Arrow's May shipments were 45 per cent greater than April, and June shipments 60 per cent greater than June a year ago.

● ● ● Cigarette companies are said to have reached agreements with leading retailers whereby prices will be increased from one to one and one-half cents a package, effective at once, but without any immediate change in the wholesale price.

● ● ● Bank debits figures, exclusive of New York City, during July, averaged about 110 per cent of last year.

Industrial Barometers

The Irving Fisher Index of General Business Conditions, as of July 24, showed a leveling off at a point 4.6 per cent above the June average index. Normally business shows a seasonal drop of 6.4 per cent

between June and July—so any gain last month further improved the position. June business was 41.5 per cent below normal, while last week's figure was 35 per cent below.

● ● ● The Fisher Index of Commodity Prices stands at 70.4 per cent of the 1926 average, or 31 per cent below the 1924-1925 average, which was referred to by President Roosevelt as a practical level for stabilization.

● ● ● Cotton consumption (by mills) during June was the largest for any month since the Census Bureau began keeping monthly records in 1912.

● ● ● Building permit reports, as tabulated by the United States Department of Labor, decreased 36.5 per cent in June, compared with May. If the permit for the San Francisco-Oakland bridge had been excluded from the May total, a substantial increase would have been shown by the June figures.

● ● ● Construction contracts in June, as tabulated by the F. W. Dodge Corporation, gained 34 per cent over May, and were practically up to last June's figures. Privately financed undertakings awarded 74 million dollars worth of business in June, as against 48.8 millions last year.

● ● ● Industrial sales for the second quarter showed the following industries ahead of the same period last year: motors, steel, motor accessories, radio, electrical equipment, chemicals, paper and paper products, leather, copper, textiles, household products, machinery, meat packing, coal and coke, food products and tobacco.

● ● ● Publishers are anticipating higher costs and higher advertising rates. Current purchases of paper are costing as much as 50 per cent more than the cost three months ago. Large magazine publishers such as Curtis and McCall's notified agencies and advertisers that owing to the uncertainty as to future costs, it has been deemed advisable to defer acceptance of any orders beyond periods which average about one year from present closing dates.



¶ The price chiseler walks in his sleep

NIRA —from the Firing Line

BY PHILIP SALISBURY

Washington, D. C.

TO speed up the increase in purchasing power—and possibly to circumvent possible court tests—the Government has announced a voluntary (?) program for increasing wages and cutting down the hours of labor in all business organizations, which, for one reason or another, will not be operating under an approved code this Summer. The word voluntary is questioned because it is perfectly obvious that the methods planned by General Johnson will include every variation of high-pressure selling. The same machinery which was set up to sell Liberty Bonds—four-minute-men speakers, newspaper publicity, slogans, posters, buttons, local canvassing committees, etc.—is to be utilized to put the voluntary code over—and quickly.

Many business men are going to grumble at this drive, but we predict that it will be popular with the masses, since they will figure that they have nothing to lose and everything to gain by higher wages and shorter hours. The weapon of economic boycott will be directed against those who do not enroll under the NIRA banner. There may be dynamite in that.

Johnson: Driver-Psychologist

Here in Washington the activity resembles the War days, and if Government officials weren't willing to work sixteen to twenty hours a day we wouldn't be seeing so much progress. All of the officials are swarmed with visitors during the day. Hotel lobbies and the corridors of public buildings are jammed with men and women who have come to Washington to ask a favor or right a wrong or to talk over a code. If this *were* a dictatorship there wouldn't be so much of a problem in handling these crowds, but because it is a democracy much time has to be taken up in explaining and selling the new deal ideas. The officials and their assistants don't seem to mind the long hours; I never saw a group of men so much in love with the work they are doing.

General Johnson is a driver, but the people connected with him are crazy about him, because they respect his ability and his fairness. Of course, he is accustomed through his army experience to giving orders and demanding

prompt execution, and many of the lawyers and business men who have approached him on codes object to his peremptory decisions.

Despite his apparent ruthlessness, he impresses one as knowing people and their reactions. For example, he was asked by a group of business paper editors last week whether his administration would do any policing in searching for violations of fair competition codes, and he replied: "I am not going to set up any police department, because the first person who breaks that agreement to the detriment of the other fellow will be reported and then we will ask 'what about it?' *Public opinion will do to a violator all the policing that is necessary.*" Then again, through holding public hearings of codes, he has automatically toned down the selfish demands of both capital and labor. For more than a generation very little progress was made through legal means in eliminating child labor. The Johnson-Roosevelt team, by adroit publicity, accomplished the deed in a week, and with no fight or fuss.

A Theory of Discounts

Before very many of the fair competition codes come up for discussion in Washington, we shall hear some interesting theories from Government officials on a number of controversial subjects. One of them, for example, is that of quantity discounts—and the temper of the administration seems to be that the little fellow in the past has not had a fair break. For example, one of the important officials put it this way: "If the manufacturer is making 100,000 units at a certain price and selling those to a diversified list of customers, he has a certain average manufacturing and distributing cost. If he then gets an opportunity to sell an additional 100,000 units to one big buyer, he is likely to figure that this will reduce his total manufacturing costs to such an extent that he can afford to sell this second 100,000 at cost, because his average cost has declined on the products sold to the first group and he will possibly maintain the old price to them.

"I think there is a fundamental fallacy in this reasoning. The assumption is that the second order made possible a lower manufacturing cost on

the first half of the total production, but isn't it just as true that the low cost on the second half was made possible because of the assistance of the many small orders making up the first group? Too many of the quantity discounts in the past have had unfair minimums and maximums. *Discounts based on the actual difference in handling costs are the only ones that are fair.*"

Loss Leaders and Advertising

National advertisers are by no means unanimous in believing that good will result to them from elimination of loss-leader selling. Many want their products to be featured in this manner—up to a certain point, when the law of diminishing returns sets in. They receive free advertising and wide distribution.

If loss-leader selling is ruled out, especially in food and drug lines, what will be the effect on nationally advertised products versus the private brands? One drug manufacturer analyzed the problem as follows: "My toothpaste has been featured by many stores at 19 cents—a price which is break-even to some, and a loss to others. Large distributors can get a private brand made up for them at 13 to 14 cents. The product won't be as good as mine, but it will be adequate. Now what worries me is this: if druggists are forced to sell my tubes at an average of 25 cents, I'm afraid that the public will hesitate more than ever before at paying the price differential. Retailers will push the items that sell the easiest, and the advertising burden will be thrown entirely on my shoulders."

The window display installation services, under the leadership of Window Advertising, Inc., are pointing out a revolutionary change in the relationship between manufacturer and dealer. They argue that the elimination of unfair practices will give many manufacturers sufficient savings to enable them to double or treble their retail display work at no extra cost, and that with the elimination of loss-leader selling, subsidizing, free deals, consignments, etc., the advertised product for which consumer demand has been created will be more important to the retailer because profits will be definitely assured on all quick-moving items.



Acme Photo

Johnson Defines NIRA Purposes

A fortnight ago members of the Associated Business Papers met with General Johnson to discuss the Recovery Act with him. We are privileged to print herewith the major portion of his frank and impromptu talk.

IN the short time since the National Industrial Recovery Act was passed several of the greatest industries in the country have been able to get together to frame a constitution for self-government in their industries. Whatever people may say about that law—and I, myself, think of it as an experiment (there is no question about that)—it does permit something that a great many people have been seeking since the war. No small part of our recessions and peaks in business have been due to the fact that business has had no power to govern itself. The Sherman anti-trust law was wholly prohibitory; the Federal Trade Commission was purely a police organization.

Now, if industry has a plan to present in a collective fashion that is helpful to the public, it can come and present it and get a license and go ahead under the supervision of some governing body—not a police body but a body set up to see that nothing is done against the public interest.

The larger industries want to attempt that experiment and—while nobody ought to sit down and tell them in advance what they ought to put in their code, what they should leave out, and how it ought to be administered—after a code has been agreed upon and after we have taken out everything that might be termed an abuse, we ought to allow these industries the widest latitude in governing themselves for their own benefit and that of the country. That is the theory of the operation of this law. That general purpose has been somewhat obscured in the public mind by the absolute necessity with which we are faced in this country for having an employment drive. The rising of prices and the volume of production have already unquestionably far outstretched con-

suming power. The things produced have exceeded the capacity of the country to consume them when we have twelve million people out of work.

The first phase of the operation of this law is to spread employment and to try to create a consuming power for the greatest market in the world, which we undoubtedly have. The first thing to do—never losing sight of the main purpose of this Act—is to put these people back to work. If you don't do that you are going to have a crash. You will be like a man who exposed himself to smallpox and lost sight of the vaccination that was right in front of him. To see if we can start this upward spiral is the reason we place so much emphasis at this early stage of the game on hours and wages.

I think that the necessary installation of new equipment should go forward. If you stopped inventiveness and progress, that would be very stupid. I do think that for a short period it would be wise not to emphasize the installation of machinery that would tend further to reduce the field of employment. It is not our purpose here to stop economic progress. The purpose of the Act is not to unionize labor nor does labor have to join a company union. This was emphatically brought out in the cotton textile code—the benefits given to labor were given because the government and the industry wanted to give them to labor. For one thing, child labor for twenty-five years has been a blot on this country, but we could not get rid of it because the employers could not act together. If a man wanted to raise the conditions of his own employees he had to look around and see what other employers were doing with their workers—otherwise the chiselers could force him out of business.

"Regenerative" Projects

The officials in charge of public works projects are doing their utmost to keep clear of "pork barrel" building. Projects must benefit a community permanently and socially, be ready to start immediately, be finished within one year, and save the Federal Treasury from recurring expenses for upkeep and repair. They favor self-liquidating projects above others, but it seems likely that not more than 25 per cent of the money at the most can be expended on this type of building. The most important single criterion seems to be that projects should have "regenerative powers." By this they mean that if money is spent to build a courthouse or a schoolhouse there is nothing about those projects to bring further expenditures, but good roads bring in their wake considerable building of homes and stores; a toll bridge across the Hudson River or San Francisco Bay would be self-liquidating and would also stimulate further building in the territory opened up.

Prices vs. Income

An official of the Federal Reserve Bank made no interesting distinction last week between income and prices as illustrating a reason why the President must pursue the real intent of the Recovery Act, which is not only to raise prices but to increase purchasing power. Those wheat farmers who, because of droughts and bugs, will have short crops this year, will have the benefit of higher prices, but it is unlikely that their net income will be increased—and if they have debts to pay they must pay them with income and not with prices. He emphasized a point about which altogether too little is said—that the velocity of currency and credit turn-over is far more important than the quantity. In a good year this country transacts \$1,200,000,000,000 worth of business and in a bad year this drops to \$600,000,000,000, even though more currency is outstanding, and possibly three-quarters as much credit.

The officials over at the Agricultural Department say that the farmers' index of income is now 58 compared with a low of 50 in March. The farmers' income this year will be dropped by short crops, but helped by the processing tax and by higher prices. As a result of the acreage control and process taxes this year, they estimate that \$120,000,000 will be turned back to wheat farmers and the same amount to cotton farmers, and that these returns plus higher prices will give both cotton and wheat farm-

ers an additional net income of \$300,000,000.

Price Pooling

General Johnson has definitely approved the open exchange of selling prices and reports on closed transactions, but the many demands that the Government fix prices for any industry have been rejected on the ground that the Government does not intend to administer any business.

Sex Discrimination

The women of the country are up in arms because the tentative code of the National Retail Dry Goods Association gives male workers a higher minimum wage than female employes. The gossip around Washington is that when that or similar codes are approved the distinction, if any, will be between heads of families and non-heads, irrespective of sex. The Roosevelt "voluntary" code makes no distinctions, except by size of cities.

And the Weak Weaker

The early indications are that the well-financed, big manufacturer will secure advantages from the Recovery Act which are withheld from his smaller competitors. The big tire companies, for example, were able to accumulate large stocks of crude rubber at around four cents a pound, while their smaller competitors were forced to take care of their rubber requirements on a hand-to-mouth basis. The net result of this would be that even though the minimum prices set on tires may be high enough to let the small fellow come out with a profit, the big ones will have such a large gross profit to work on that they can spend even more than before for various types of sales promotion, including their national advertising.

Except Retailers

It looks as though independent retailers, however, will be in a much stronger position to withstand the competition of the chain stores, mail-order houses and factory-owned retail establishments. Elimination of free deals, secret rebates, loss-leader selling, advertising allowances that are not used for advertising, etc., will help the small fellow. The tire dealers, as an example, are optimistic about getting approval of a clause in their code which would prevent tire manufacturers who own retail service stations from spending a larger amount for advertising than is possible for the small dealer. That move is very

likely to stimulate newspaper advertising campaigns, in which the tire manufacturer takes a large unit of space and lists all of the dealers within the trading territory.

Technocracy Again

The forty-hour week was adopted in the Textile Code because calculations showed that to produce the same volume of goods would call back to employment a larger number of people than were employed by the industry in 1929. General Johnson recommended that approval of the forty-hour limitation be limited to four months. If a decline in production should occur within that period wage costs may be increased by a further shortening of hours. Under this policy the impetus toward mechanization is very great, and at the present time there is a terrific boom in both used and new textile machinery.

The only possible check on this movement lies in the allocation of production, licensing of existing productive units and preventing of extensions for new productive capacity. Without this control, a strong tendency to eliminate human labor is certain—and that is directly contrary to the whole plan.

Executives should watch the operation of clause 6 of the Textile Code. This sets up a board to work with a committee appointed by the administrator, which may make changes in the provisions of the Code as to the working hours of machinery "which will tend to preserve a balance of productive activity with consumption requirements, so that the interest of the industry and the public may be properly served."

Costs: Replacement or Purchase

Several of the retail and wholesale associations have inserted codes which provide that selling prices shall not be less than the replacement cost at the time and place of sale, plus a certain mark-up. This would make minimum selling prices much more speculative than a code which prohibits selling below cost, but it would provide greater uniformity of selling prices. Adoption of this code would prevent large units which stocked up at low prices from using their low costs as a competitive advantage. The head of one of the largest food chains, for example, has fought the replacement cost idea tooth and nail, on the ground that he cannot raise his selling prices materially, without losing volume, until purchasing power is in-

(Continued on page 133)

One-Track Salesmen and Wary Buyers

BY HERBERT KERKOW



The good salesman may be "kissed out" once, but that doesn't mean good-bye. He looks upon a turn-down from one quarter as a signal to try some new type of strategy.

THE truly resourceful salesman never lets one turn-down discourage him.

Nor does he mark a prospect "hopeless" if one line of approach seems to be closed to him. He either develops a new sales appeal or finds a way to open a new avenue to reach his man.

Take the case of a Monarch oil salesman who had called on the Chrysler dealer in a suburban community near New York. Over a period of a year he kept calling back, calling back, each time asking to see the owner.

The salesman on the floor just as regularly "kissed him out," saying either that the boss wasn't in or that the present source of supply was satisfactory. After all, a great many salesmen called there, and the boss' time was limited.

Finally the natural sales instinct of the top sales producer in that showroom made him hate to see a fellow salesman waste his time that way. It seemed to him that the oil salesman was lacking in resourcefulness. So the Plymouth salesman* had a heart-to-heart talk with the oil salesman. Said he:

"For a year you've tried to see the boss. Why don't you go around and make friends with our service manager? Of course, we contract for oil on a yearly basis, but it wouldn't hurt to find out if the oil we are using now is holding up, and whether the service on it is adequate. In that

way you might begin to make some progress."

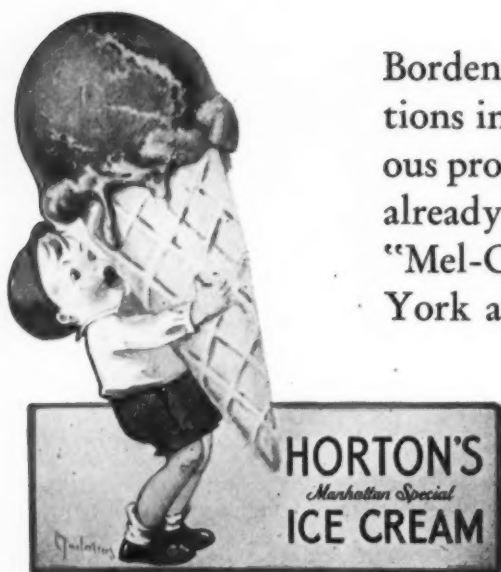
The oil salesman did so, with the result that he eventually obtained an interview with the boss through the service manager. It so happened that the agency owner was then considering a new oil contract. He asked for prices and other information. Then he went across the street to his friend, who was a Chevrolet dealer, and they arranged to pool their oil buying, thus to earn a quantity discount.

On his third call on the agency owner the Monarch man closed a contract for both dealers—the Chrysler man and the Chevrolet dealer across the street—for a year and one-half's supply of oil.

No salesman can always be right the first time in his approach to a buyer. The resourceful man looks upon a turn-down from one quarter as a signal to try some new type of strategy. The Plymouth man, out of his experience in selling a specialty product in a highly competitive field, instinctively knew that the oil man was overlooking a bet by not shifting his attack after one method of approach had proved unproductive.

A good general changes his strategy when he reaches an impasse. He never calls a battle lost until every known form of manoeuvring has been applied to the problem in hand. The same applies to selling. And this is only another way of saying that persistence alone often may not gain a sales objective simply because the qualities of resourcefulness and intelligence have not been applied along with it.

*That salesman has been leading Plymouth retail sales for the entire country. His reaction in this incident helps to explain why.



Borden's bucking of some time-honored traditions in the ice cream industry in favor of vigorous promotion of products on their own merit, has already pushed sales ahead 15 per cent. Their new "Mel-O-Rol" is making rapid headway in the New York area because it gives dealers a better profit.

BY LAWRENCE M. HUGHES

Why Borden Stopped Giving Free Equipment to Dealers

THE curve of ice cream production in this country in the last 17 years resembled one of the more rugged of the Rocky mountains. Between 1916 and 1929 it rose quite steadily from 215,000,000 to 365,000,000 gallons. Then almost precipitously it fell, until last year it was only about 15,000,000 gallons more than when the mountain started 17 years ago.

What was the matter?

One answer is that ice cream, though palatable and nourishing, was not regarded by most people as a necessity. Another, and perhaps more significant answer, is that the mushroom growth of the industry had stimulated keen competition and excessive sales costs, for which the consumers no longer were willing to pay. Sixty-five or 75 cents a quart may have been a fair price for good ice cream in '29, but consumers thought it far too high for '32.

Most of the dealers, their profits disappearing, thought so too.

Ice cream dealers usually handle only one brand. To get and hold as many dealers as possible during the period of the industry's mushroom growth, and to discourage new competitors, the stronger manufacturers made concessions in everything but price. Dealers were loaned electric cabinets, which often had larger capacity for keeping the ice cream

than their volume of business warranted. Companies became obsessed with the idea of keeping their dealers happy at all costs, and getting as many dealers—good, bad and indifferent—as possible. As William J. Monaghan, general sales manager of the Ice Cream Division of the Borden Company, told this magazine, "the fellow who could provide the most inducements got the business."

"But from the dealer's standpoint," Mr. Monaghan added, "this relationship did not prove happy. Though they had plenty of ice-box equipment and services at their disposal, the costs naturally had to be included in the wholesale price of ice cream. They also had the problem of bulk ice cream shrinkage in transfer from ice cream cabinet to consumers' cartons. This amounted to from 20 to 33 1/3 per cent. This cost the dealers had to figure into retail price.

"Complicating matters further, manufacturers were too busy with dealer problems, adequately to promote their brands.

"Then they discovered that this lack of distinctive brand identity, coupled with the free facilities they had provided, made their dealers an easy prey to ice cream bootleggers.

With the decline in consumer demand, the ice cream industry was turned into chaos.

"Finally, last year, the Borden

Company set out radically to remedy this situation," Mr. Monaghan pointed out,—"at least as far as we were concerned. In the New York Metropolitan area, we began to abandon the take-all, support-all dealer plan, and to sell our three brands—Horton, Reid and Borden (then known as Anheuser-Busch)—on the merits of the products themselves. We proceeded to solicit only dealers who were willing to make an investment in their own refrigerating equipment, and to educate those to become better merchants. We developed products distinctive not only in taste but in form, and advertised them even more intensively in our various markets.

"Formerly our three companies had an investment in dealers' refrigeration equipment in the New York area of \$6,000,000 or \$7,000,000. The new plan provided that the dealer purchase this equipment over a fairly long period and receive the benefits of a lower price. It also distributed the cost of the refrigeration over the general overhead of the store, instead of taxing ice cream alone for it. Ultimately, we believe this will bring ice cream to the consumer at a lower price. We have refused to loan equipment to any new or competitive dealer. On the other hand, we have not forced our regular dealers to buy equipment from us. The arrangement has been

purely voluntary—but, in the last year, more than half of our 14,000 accounts in this area have taken advantage of it.

"In the process our 60 New York area salesmen have been changed into 'merchandising men.' We have taken pains to equip them to show dealers how to make the most of their soda fountains and of their entire stores. Working, of course, in competition with one another—for each merchandising man handles only one of three brands—they have told the dealers definitely what their costs were, have outlined better methods of serving sodas, sundaes and other products, helped them to

veloped by Vogt Processes, Inc., a division of the Girdler Corporation, of Louisville, was a method of quick-freezing, quick-hardening and automatic-wrapping of ice cream mix into cylindrical, individual portions.

"We discovered that the method provided a more uniform dispersion of water crystals and of ingredients than in bulk ice cream—that it created a more velvety texture. From the dealers' standpoint, we learned in the Detroit test that dispensing could be done in a second or two, as compared with 5 to 30 seconds for scooping, that it provided uniform servings, and reduced refrigeration. Detroit consumers liked the sanitation and uniformity of the new product, as well as its velvety taste. It permitted 42 servings to the gallon. The price to dealers was higher, but it provided considerably more in profit for the dealer. We called the product Mel-O-Rol. The campaign was a success.

"On June 1 of this year, Horton and Reid introduced Mel-O-Rol in the New York area. We purposely held Borden's ice cream brand out for a month to determine how many of

ing tie-ups. Sundae glasses are sold at \$1.50. We designed them all specially, with the introduction of Mel-O-Rol in mind.

"As a result of these policies the sales of the three brands have increased 15 per cent since April. We are doing our part to start a new ice cream sales mountain again—I hope on a sounder foundation.

"An important part of this foundation is advertising. On the three brands of ice cream, all different, we spend several hundred thousands of dollars a year in advertising. Horton and Reid are older brands, and about equal for sales leadership in the group, so we have increased the Borden brand appropriation this year, keeping the others about the same as before. The Borden name succeeds that of Anheuser-Busch, whose ice cream division we acquired in 1928.

"Though the sales supervision of all three is under me, their policies, sales organizations and dealers are distinct. McCann-Erickson, Inc., for example, handles the Reid advertising, Young & Rubicam, Horton's, and Pedlar & Ryan, Borden's.

"These separate policies and set-

Taste it!...this NEW KIND of ice cream!

HORTON'S MELOROL

HORTON'S MELOROL

The new taste-thrill in Ice Cream

Money formerly invested in expensive equipment for retail stores now goes into newspaper advertising, window display, and other forms of promotion. (Above) A full page newspaper advertisement which appeared during the introductory drive in New York City. (Right) Windows tying up with current display space are promoting special drinks for which Mel-O-Rol is the foundation.

standardize their glasses, and suggested ways and means of attracting customers.

"Having the advent of beer in mind, the plan also was intended to make an ice cream soda taste better than a glass of beer.

"This new policy and viewpoint," Mr. Monaghan emphasized, "has involved not only telling the dealers how to do things, but doing some rather extraordinary things ourselves.

"In Detroit last summer we tested out a new form of ice cream intended to eliminate the scoop and the shrinkage and unsanitary conditions which accompany it. This form, de-

veloped by Vogt Processes, Inc., a division of the Girdler Corporation, of Louisville, was a method of quick-freezing, quick-hardening and automatic-wrapping of ice cream mix into cylindrical, individual portions.

"In connection with the introduction of Mel-O-Rol, and the new sales policy, we have made available to dealers standardized glasses for sodas and sundaes at wholesale prices. Since May 1 we have sold 8,000 dozen of them. The soda glasses, 15-ounce size, sell at \$2.35 a dozen. We clear 90 cents a dozen on them, but this goes into the cost of dealers' window strips and other merchandis-

ups may seem wasteful, but you must remember that all three divisions were acquisitions, with thriving trades of their own. Also, because often there are three or four ice cream dealers in a block, we feel we must give them each a distinct identity to promote.

"In addition to increased sales, and higher dealer profits and morale, the new program has enabled us to make considerable direct progress against bootleggers. Mel-O-Rol, of course, is not easy to copy. Though the ice cream industry really began to strike its stride during prohibition, the return of beer should not injure us—if we act intelligently to meet it."



A MESSAGE FROM A MAN WHO HAS SOLD SMART
DETROIT MOTORISTS

10,000,000
GALLONS of
GASOLINE

ZIP
A PREMIUM
GASOLINE

VISIT THE ZIP GASOLINE STATION
IN YOUR NEIGHBORHOOD

SUNNY SERVICE OIL Co.

They offered him cash to quit . . . above, one of the full-page newspaper advertisements which effectively broke up Standard Oil's "zone" plan.

Six Oil Giants Fail to Daunt Austin in Detroit Gasoline War

BY D. G. BAIRD

SUNNY Service Oil Company, Detroit, runs a lot of full-page newspaper advertisements. One pointed out recently that eight gallons of premium gasoline in each of 10 representative cities would cost:

New York	\$1.52
Chicago	1.44
Atlanta	1.80
Cleveland	1.60
Philadelphia	1.44
Baltimore	1.51½
Boston	1.56
Buffalo	1.50½
Pittsburgh	1.52
Detroit	1.00

The principal reason why Detroiters could buy their eight gallons 44 to 80 cents less than could the people of other cities is Charles E. Austin, president of Sunny Service. With 33 stations in Detroit, two in Flint and one in Windsor, Ontario, Austin is said to be selling 2,000,000 gallons a month. He also claims the record of 35,000 gallons at one station in one day, as well as the record of average sales a station.

Austin and the Goliaths

He has made these records—and large profits for his company and himself—in the capital of Motordom against the competition of virtually all the oil giants, who have fought, by methods, it is said, not always above reproach, to defeat and annihilate him.

Advertising more aggressively than any other filling station operator there, he undersells them all consistently. He is not modest and retiring about his belief that his "Zip" is the name of the world's finest gasoline.

Until six years ago Mr. Austin,

then 30, was a real estate operator. In the process he built several filling stations for independent merchants. Undismayed by the sight of big companies all around, and by the fact that Detroit, like other cities, has too many filling stations, he decided to go into that business. He opened one station, bought good gas of a major company, sold it at a low price, put the profits back into the business, and opened others. As his business grew, he started to advertise. As it grew still more, he advertised more.

He Went to Carol's Realm . . .

As he won more and more customers, the oil giants became aware of a thorn in their sides. At first the thorn just itched. Presently it began to hurt. The giants got mad. They tried cutting prices. Austin cut, too—more than the giants. They tried other measures. Austin met them more than half-way.

Then they cut off his supply.

Austin bought "bootleg" gasoline. He kept going. But he was not satisfied with this gasoline. He wanted the best. When he could not get it in the U. S. A., he determined on his boldest stroke. He went to Rumania for it.

King Carol's country, as you may know, now ranks next to the United States and Russia as the world's largest oil producer. Mr. Austin found that Rumanian gasoline, which he bought at Constantia, there, for less than 3 cents a gallon, was high in quality. Austin shipped it here in large quantities, and made it better by blending. Then he began to advertise it as the world's finest gasoline. Not only this,

but he published test records to prove it, and offered a money-back guarantee. If you bought eight gallons of Zip for \$1, you received a bond entitling you—if you weren't convinced that it was equal to or better than any premium quality gas in Detroit—to return the unused portion and get the whole dollar back.

Unable to stand on their own feet, the giants protested to the Federal Trade Commission. The commission found nothing wrong with Austin's claims—nothing wrong in the fact that he bought Rumanian gasoline. There was even a report, which the giants may have started, that Austin was buying Russian gasoline. But maybe that was just a misprint.

In any event, the giants were forced to introduce a third-grade gasoline to sell at the same price as Zip. Austin countered by advertising that Zip was not only far better than this, but equal to or better than the big fellows' best.

S. O. of I. Invented "Zones"

Then Standard Oil (Ind.) attempted to meet the price of Sunny Service and at the same time to restrict the 12½-cent price to the metropolitan district of Detroit by a so-called "zone" system. Briefly, Zone A was the metropolitan section. Zone B began at the circumference of Zone A, and Zones C and D were similarly designated, extending farther out. In Zone A, Standard's price was 12½ cents; in Zone B, 13½ cents; in Zone C, 14½ cents; and in Zone D, 15½ cents. Beyond this last zone, the state-wide price was 16.8 cents per gallon.

(Continued on page 137)

TELETYPEWRITER SERVICE

GIVES YOU THE
SPEED OF THE
TELEPHONE....
AND A WRITTEN
RECORD



The Shell Union Oil companies connect thirty-three offices throughout the country by Teletypewriter Service. The dotted lines indicate Private Line Service.

ARE you looking for a new means to cut costs—serve your customers better—co-ordinate the activities of separated units of your company? You may find the answer in Teletypewriter Service, the communication method which combines important features of the telephone and the typewriter.

Each teletypewriter connection is like a telephone call except that it is *typewritten* instead of talked. The message is typed on the machine in your office and instantly reproduced on the machine in the office of the man with whom you are connected.

The Shell Union Oil companies have teletypewriters in 33 offices and refineries, seven of them linked continuously together each business day. The others have Teletypewriter Exchange Service, which allows them to be interconnected at any time and reach other subscribers to the service whenever desired.



Shell adopted Teletypewriter Service because of its advantages of economy, accuracy and speed. Tank car shipments between many of the refineries and depots are dispatched and controlled by teletypewriter, enabling Shell to render a faster service to its customers. In addition the Teletypewriter Service has many other applications such as providing the management with up-to-the-minute reports on refinery operations and sales.

A representative of your local Bell Telephone Company will gladly give you full information about Teletypewriter Service. Just ask the operator for the Business Office.



★ No. 5 Groopman—he led the entire country in sales for Timken during 1931 and '32, and is now a branch manager.



★ No. 6 Shinavar—he makes \$50 and \$100 sales for Real Silk through hard, planned work.



★ No. 7 Goldstandt—he was Equitable Life's leading producer for 1932.

Star Salesmen the Depression Couldn't Lick

A study made by the Sales Management staff of the sales methods and techniques of a group of men in various lines of business who stood at or near the top of their ranks during the blackest months of the deflation.

Part II

By THE SALES MANAGEMENT EDITORIAL STAFF

(This article is a report of a portion of a survey being conducted by the editors of SALES MANAGEMENT, covering the methods used by salesmen who maintained exceptionally fine sales records in their respective lines during the lowest period of the depression. Believing that an analysis which would reveal the secret of selling technique, which is to a large extent impervious even to bad times, would be helpful to every executive who has the problem of training men for the field, we will first describe the methods of various individual star men, then attempt a critical summary and comparison to discover what methods are common to all—THE EDITORS.)

LAST month we reported on the working methods of four men, two in the refrigerator field, one in insurance, and one in automobile selling.* In this article we present Harry Groopman, whose excellent record won a branch managership for him in the Timken Silent Automatic Company; Charles B. Shinavar, one of the topnotch producers for Real Silk Hosiery, a direct selling company; and Fred S. Goldstandt, who led the Equitable Life Assurance Society force for 1932.

Having led the entire country in sales for Timken during both 1931 and 1932, Harry Groopman has

*The first article in this series appeared in SALES MANAGEMENT for July 1.

earned the right to be included in any list of men the depression couldn't lick.

Ever since Groopman came with Timken, in 1929, he has shown real sales ability. He had been selling Timken burners only six days when he was made a supervisor in the Brooklyn branch, with ten salesmen under him on whose sales he collected a small over-riding commission. Groopman had sold before he joined Timken, but not to the consumer. He worked the industrial market for Minneapolis Honeywell during 1926 and '27, then went to Buchanan Engineering, dealers for Petro oil burners, where he again worked on the industrial side. Selling to the consumer, however, proved the right bailiwick for him, if volumes of \$101,000 in 1931 and \$162,000 in 1932 are any criterion.

Leads from Satisfied Users

Selling that much volume means spending as much time as possible in the presence of prospects. Groopman tries to achieve six interviews daily, lasting anywhere from three-quarters of an hour to two hours in length. During special campaigns he often works in the evening. He always

The Men Interviewed This Week:

Harry Groopman
*Branch Manager,
Timken Silent Automatic
Company,
Detroit*

Charles B. Shinavar
*Detroit Salesman,
Real Silk Company,
Indianapolis*

Fred S. Goldstandt
*Equitable Life Assurance
Society,
New York*

works against a quota, sometimes setting special quotas for himself. (He made 267 per cent of his company-set quota in '32.)

When Groopman started out to sell for Timken he had to win his spurs by continuous cold canvass. But today he has developed such a wide satisfied-user list that he keeps busy following up leads his previous customers give him. In fact, Groopman has found that, on an average basis, one customer is good for six leads and two sales. Sometimes a single customer brings him many more sales.

... Told Him *Not* to Buy!

This turned out to be true of a particularly difficult sale he once made to a foreigner. This prospect had been developed by one of his junior salesmen who was having difficulty closing. Groopman came into the picture and, after studying the junior's recommendations and the customer's requirements, he candidly urged the prospect not to buy an oil burner. Naturally the junior salesman was completely taken off his feet when he thought his boss was queering a sale.

Groopman went on to explain to the prospect, however, that he would never get proper heating for his home until he had a larger boiler, and anything to the contrary competition had promised might be put down to lack of experience. The prospect began to thaw out when he heard this; he admitted then that he was almost certain his boiler was inadequate, despite the fact that every other oil burner salesman had assured him otherwise.

Groopman then showed the prospect why the boiler was inadequate. This made the prospect ask for Groopman's recommendations, boiler prices, etc. From that point on Groopman rebuilt the sale around the idea of adequate heating with a larger boiler and an oil burner. When he departed he had an order and a check for a down payment. So thoroughly did the salesman win his buyer's confidence that several other sales were brought to him as a result.

The importance of truth in salesmanship was impressed on Groopman early in his selling career. He had to sell to some of the foreign population, and at first he could not make a dent in their market. Finally he sold a Swedish undertaking establishment so successfully that he was able to use their recommendation as a wedge to enter other portions of the Swedish-American market. In dealing with them he realized that once they have faith in what you say, as established by one of their kind, they are eminently satisfactory to deal with and often go out of their way to make a sale for you.

Groopman has no standard sales approach except that of studying the prospect's problem and fashioning his story to that problem. Early in his sales work he found out that, while catalog pictures were sometimes effective, nothing was half as impressive to a prospect as the making of a diagram of the prospect's own boiler layout, and figuring of the solution of the problem right before the buyer's eyes. Making it easy in this way for the prospect to see what is needed and to understand how a Timken fits these needs quite definitely takes the product out of competition.

Study the Prospect's Problem

The importance of studying the prospect's problem is well illustrated by a sale Groopman made to a stockholder of a competitive oil burner company. This prospect owned a hotel and an apartment building. He was shopping around for a burner. The company in which he owned stock gave a price three hundred dollars lower than Timken's price. The prospect was ready to buy the cheaper burner, when Groopman discovered that he had the competitive oil burner in his home and had been dissatisfied with the service given him. Though a difference of three hundred dollars looked good to him, he wanted to be sure the service problem wouldn't be expensive and bothersome in his hotel installation.

With this opening, Groopman proceeded to show the prospect how the Timken local branch was equipped to give day and night service to better advantage than the competitive company's local dealer. The prospect was highly skeptical until Groopman got him to call the Timken branch and ask for a service man to call immediately at the nearby home of a friend where a Timken was installed.

The service man was there in twenty minutes.

That evidence was strengthened sufficiently by Groopman's additional arguments so that the prospect bought the Timken despite its higher price. Since then Groopman has put two Timkens in the same buyer's apartment house.

Planned Work Sells Socks

Most salesmen let price stampede them because they are too anxious to make a sale, Groopman believes. He says his only kickbacks have been on accounts where he let himself get juggled into a price fight. Then, to get the order and meet lower-priced competition, he had to eliminate some of the full equipment and accessories on his burner. Lack of those accessories made it impossible for the product to function at its best. Hence the kickback.

The way to get sales is to dig for them, Groopman will tell you. When he first worked for Timken and the burner was new in the Brooklyn territory, Groopman started to use a local garage man as a source of sales and leads. Knowing the full meaning of the Timken name, the garage owner was willing to listen to the story. Once sold, he would tell Groopman about his customers and their habits, buying and otherwise. So began one of the chains of sales that has won Groopman not only tangible rewards in commissions, but also a promotion to a factory branch managership.

It seems a far cry from oil burners to hosiery and related products, but in some ways the methods of Charles

(Continued on page 130)

Sales Hopes — Not Sales Records — Govern 1933 Advertising Budgets

ONLY 9.3 per cent of national advertisers have based their 1933 advertising appropriations on actual sales accomplishments, in 1932, compared with 14 per cent who employed this method for 1930, the Association of National Advertisers, New York, indicates in "An Analysis of 285 National Advertising Budgets," just issued under the direction of its Advertising Budget Committee.

On the other hand, the proportion of these companies operating in 1933 on an "estimated amount needed for an adequate campaign" is 49.8, an increase of 12.8 in the three-year period. Those who adopted a "fixed percentage of estimated sales" increased from 13 per cent to 31.2. "Combination of previous year's sales and estimated sales for future year" declined from 34 to 5.7 and "other methods" rose from 2 to 4 per cent.

Among "other methods" were a fixed percentage of 1932 profits, of sales for previous month, of estimated sales "in relation to general business conditions," and the "least amount that would make a satisfactory showing."

A previous ANA study on this subject—"The Advertising Budget," was issued in January, 1931.

The 285 budgets in the current study were submitted by 257 companies. Two hundred ten were on consumer product budgets, 75 on products sold to industry.

Among consumer industries analyzed for the four years, 1929, '30, '32 and '33, for the "relation of advertising expenditures to sales volume" the ratio of five was higher for 1933 than in 1929. Clothing and accessories rose from 3.8 to 5.09; financial and insurance from 1.0 to 1.42; jewelry, clocks and silverware from 5.7 to 5.73; textiles from 3.1 to 3.37, and travel and transportation from 4.6 to 5. Though the 210 consumer budgets were broken down into 33 industries in the current study, the participating companies were grouped into 16 industries two years ago. In the current two years, however, substantial increases in ratios were reported by proprietary medicines, from 24.20 to 26.30; drug sundries, 40.17 to 41.67; radio equipment and supplies, 7.00 to 7.25; home electrical appliances, 7.65 to 8.50.

The five industrial groups in the former study have been changed into nine. In the current two-year comparison only three increased their advertising-sales ratios in 1933 over 1932—machinery and supplies (not

hibits and radio dropped about 3 per cent each; publicity, samples and car cards were continued by the same percentage of advertisers as used by them in 1932, and farm journals, free goods and allowances and premiums are now being used by more.

Total advertising expenditures in relation to net sales volume in 1932 ranged from 40.17 in proprietary medicines, 24.20 in drugs and toilet articles, 11.33 petroleum products and 8.46 coffee and tea, down to 1.02 for financial and insurance, 1.95 for auto trucks and 2.64 textiles.

One hundred fifty-five of 285 budgets for 1933 were made up for the entire calendar year; 43 for a fiscal year; 27 six months in advance; one four months in advance; 14 three months in advance; one two months in advance and 44 one month.

Though 198 of the 285 were made up for yearly periods, arrangements for revising 124 of these at stated intervals throughout the year were reported as follows: 39 at end of first six months, 6 every four months, 59 every three months, and 20 monthly.

Cliff Knoble, of Chrysler Corporation, is chairman of the Advertising Budget Committee, which is under the supervision of the ANA Research Council, Merle B. Bates, of Life Savers, Inc., chairman. Paul W. Atwood, secretary of the council, handled the compilations.

Media Used in 1932 and 1933

Percentage of Total Number of Companies Using Each Medium

	1932	1933
	%	%
Trade Papers	60.3	60.7
Direct Mail (Consumer) ..	60.3	58.9
Dealer Helps	55.3	55.7
Magazines	53.0	51.6
Displays	50.7	50.2
Newspapers	47.9	44.7
Direct Mail (Dealer)	46.6	46.1
Sales and Service Literature	45.7	45.2
Conventions & Exhibits...	42.5	39.3
House Organs	28.8	26.9
Industrial Publications ..	27.9	26.0
Publicity	24.7	24.7
Outdoor	23.7	21.9
Radio	21.5	18.7
Miscellaneous Novelties ..	20.5	20.1
Price Lists, etc.	16.9	16.4
Samples	16.0	16.0
Motion Pictures	14.2	11.9
Farm Journals	14.2	14.6
Business Papers	13.3	11.9
Free Goods & Allowances.	12.3	12.8
Car Cards	6.8	6.8
Premiums	4.1	5.0

including automotive) from 2.64 to 2.65; paper and paper products from 3.48 to 3.96, and plant equipment, from 3.09 to 3.25. Paper and paper products, incidentally, were the only group covered on the four-year basis which increased its ratio—from 2.6 in '29 to 3.96 in '33.

Reports from 219 advertisers who have media allowances in their 1933 budgets, as well as actual media expenditures in 1932, showed that last year trade papers (publications reaching distributors) and consumer direct mail ranked first, with 60.3 each in the percentage of companies using 23 advertising media listed. For 1933, however, trade papers ranked first with 60.7—consumer direct mail declining to 58.9.

Use of dealer helps, third, rose from 55.3 to 55.7; magazines declined from 53.0 to 51.6, displays from 50.7 to 50.2, and newspapers from 47.9 to 44.7. Use of conventions and ex-

Launch "Audit Bureau" for Outdoor Displays

A Traffic Audit Bureau—"to control circulation statements in connection with outdoor displays"—has been launched as an outgrowth of technical studies made in the last two years by the Albert Russell Erskine Bureau of Harvard University at the request of the Association of National Advertisers and the Outdoor Advertising Association of America.

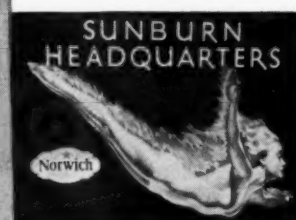
Stuart Peabody of the Borden Company, president of the ANA, is chairman of the bureau, the membership of which comprises Turner Jones, Coca-Cola Company, Atlanta; Lucien P. Locke, Ethel Gasoline Corporation, New York; Robert J. Flood, Gulf Refining Company, Pittsburgh; Kerwin Fulton, Outdoor Advertising, Inc., Chicago; George Kleiser, Foster & Kleiser, San Francisco, president of the OAAA; Henry T. Ewald, Campbell-Ewald Company, Detroit, and Harrison Atwood, McCann-Erickson, Inc., New York.

DRAMA IN DISPLAY

A sensational selling slant—dramatically presented—and smashing records for both window showings and summer sales.

The Unguentine Diving Girl with flames leaping from her back—carried through from poster to window to counter—is the arresting type of idea that America's leading advertisers have come to expect from America's leaders in "dramatized lithography."

Jig-saw puzzles—and now MASKS—may focus a nation's eyes on Einson-Freeman, but advertisers know what Einson-Freeman can do to focus "buying eyes" on their products and displays!



COUNTER
MERCHANDISER



EINSON-FREEMAN CO. INC.

• LITHOGRAPHERS •

Starr and Borden Avenues • Long Island City, N. Y.

Specializing
in window and
store display
advertising

TO THE SYSTEMS SALESMAN:

Expressed in its simplest form, your sales campaign can be summarized this way:

$$2 + 2 = 4$$

- (1 - Present conditions (have
- (2 - the sales manager ready to receive help.

+

- (1 - Your knowledge of sales re
- (2 - and your willingness to work

=

- (1 - New contacts.
- (2 - New prospects.
- (3 - New accounts.
- (4 - New business.

If you haven't gauged the opportunity inherent in present conditions, you haven't thought them through. You haven't shown readiness to capture new prospects and accounts. You haven't made a plan for your control.

The best way to sell merchandise was to re-educate our salesmen on the problems of the individual sales manager, on what we had to sell and how to sell it, on available sales tools and on sales conditions in general.

A Weekly Bulletin That Keeps the Sales Training Plan Alive

IN the face of the difficult conditions which prevailed late last winter—weak confidence, unprecedented unemployment, and greatly shrunk buying power—we sought to lay out a campaign which would, if possible, accomplish two objectives: 1. Stimulate our own sales, and 2. Aid sales managers and other executives in meeting their immediate problem of finding a way to increase sales.

We debated ways and means of coping with the situation. Our final decision was to concentrate on the sale of merchandise that would materially assist the sales managers in their task. With buying power what it was, the *known market* must be brought under a comprehensive control. Sales managers must retain the business of present customers, and the business of potential customers must be secured. Second, with buying authority moving upward, the *presentation* of a product or a service must come under absolute control. Contacts must be periodic, not spasmodic. Interviews must be planned, never extemporaneous. Third, with buying interest smothered in lethargy, *management* must govern every avenue of approach.

BY C. F. PRICE

Vice President,
General Systems Division,
Remington Rand, Inc.,
Buffalo, New York

Selling effort must be controlled. Advertising must be co-ordinated. In short, the sales manager of the depression needed *facts*. To get facts he needed records.

Thus, we commenced, in mid-December last, an intensive country-wide campaign to sell record equipment. The best way to sell our merchandise, we decided, was to re-educate our salesmen on the position, the importance, the problems and the needs of the individual sales manager; on what we had to sell and how to sell it; on the sales tools at our command, and on sales conditions in general and in particular.

This process of re-education, we felt, should be done in the main by our branch office managers at their weekly sales meetings. Having used the weekly bulletin idea continuously for a number of years, and to good success, we believed it best to continue

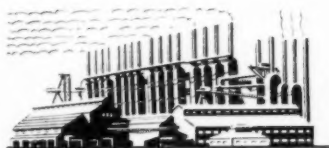
the employment of this weekly bulletin but to design it along a slightly different plane and address it to the branch manager for his personal use in *shaping* and *conducting* his own weekly sales meeting. Briefly, we planned to hold meetings (as we have done in the past) at each branch office weekly, but to "tune" these meetings by data supplied the branch manager from the executive offices here in Buffalo. Thus we would personally "control" this process of re-education of *all* salesmen and strengthen our sales record campaign at all points along the way.

The bulletins were released each Tuesday. At first we intended the campaign to run three months, and then concentrate our energies on another type of merchandise. Results, however, were so good and the need for this type of equipment so apparent in all parts of the country that we extended the campaign into the Summer. New "subjects" were added to the bulletin list to take care of these additional weeks and further to strengthen our plan of re-education that has produced what we consider remarkable results.

(Continued on page 135)

So nervous and vital an industrial organization was hit early by the depression. But the ingenuity which built Cleveland's industrial diversity was driven to greater inventiveness by the new necessities.

Now that business is improving, it finds Cleveland's steel mills roaring; machine shops working nights. Business improvement is definite at all points. Small as well as large factories are putting on men; some working overtime; some, continuous shifts. Every type of business is feeling new life. Already this has had marked effect on the community's retail trade.



This revival has come while two of Cleveland's banks have been closed.

Now a reorganization of the National City Bank of Cleveland allows it to absorb the closed Union Trust and Guardian Trust Companies.

July 21st depositors received approximately \$57,000,000, which had been tied up in these two banks since February 27. It is the money of a people who have been chafing to use it.

This \$57,000,000 will go into immediate circulation. It will buy what you have to sell, if you advertise for it.

STEEL—Pig iron production in Cleveland-Lorain increased from 95,000 tons to 127,000 tons. Steel operations in Cleveland are now 85 per cent of capacity, with one large mill running at capacity.

AUTOMOTIVE — Thompson Products (valves) has more than 50 per cent greater production than last year. National Acme (screw machine products) has a 60 per cent increase



in employment over a year ago. Eaton Manufacturing's axle business has doubled, and the company has three shifts. Midland steel's plants are nearing capacity.

METAL INDUSTRIES — Six largest Cleveland foundries reached 93.8 per cent of normal production in May. Steel & Tubes has a "rush of orders" for welded tubing. Browning Crane & Shovel adds 25 per cent more workers. Ferro Enamel's June shipments were the largest in history. June at Apex Electrical was the best month in 20 years.

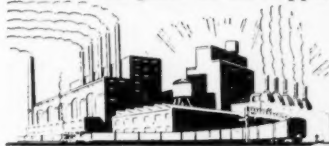
GENERAL INDUSTRY—Sherwin-Williams (paints) running at capacity in Cleveland for the last 14 weeks. Glidden Company (paints) report dealers are piling up stocks again. Joseph & Feiss (Men's Clothing) added 200 employees in one week. Illuminating Company's power output is 10 per cent better than a year ago.

SHIPPING—Iron ore movement shows a gain of 38 per cent over last year. Coal movement uplake is 40 per cent greater. One eastern Ohio



mine, largest in the region, is running three shifts a day. Railroad car loadings in the Cleveland terminals were 4 per cent greater than in the same period last year.

EMPLOYMENT — Working forces in manufacturing plants increased 6½ per cent in June, the largest monthly increase on record. The most extreme increase took place in the copper



and aluminum industries—27 per cent in the month. Makers of automobile parts increased their forces 10 per cent. Thirty-one out of the 100 typical plants expect to take on more men in July.

JOHN W. LOVE,
Business Columnist

Is Free Market "Research" Worth Just What It Costs?

BY ONE WHO THINKS IT IS

THIS article may tread upon a number of toes. In fact, if the writer's identity were to be disclosed, he would probably be trampled out of his position. The writer's intention, as will be indicated, is not minor sensationalism, but an attempt to aid disclosure of a sore on the advertising body in the hope that it will be healed. Anyhow, the subject is one that eventually will occupy more space in this magazine and others because, like the public, all the advertisers can't be fooled all the time.

Most advertising executives who now get a chance to lecture invariably bring into their talks the theme of research and market analysis. Products and their consumers must be studied. Analyses of individual markets for specific products must be made. Proper methods of merchan-

dising must be secured. At the same time, those who sell advertising are placing before present and prospective advertisers results of research performed in their media's territories and relative to the advertiser's selling problem. All of which is mentioned here to remind readers that research, investigation, special merchandising information and other forms of assistance to advertisers other than lineage constitute a popular song of the present advertising world.

Now on this subject I can sing with the loudest because I am one of the few in the whole chorus who sings eight hours a day—meaning that I am engaged in the actual work of newspaper merchandising and research.

There isn't any doubt that the chorus is growing louder. Advertisers in increasing numbers have realized the necessity for market and

product research. In the research department of one newspaper, for instance, the number of requested interviews jumped from 8,200 in 1931 to 18,352 in 1932. In a desperate attempt to get the last cent of return from their advertising, many advertisers are demanding the fullest kind of cooperation from media carrying their lineage. Often such advertisers do so unfairly. I know of a city in which the several newspapers agreed to a reasonable limit of marketing assistance each would perform. Yet one advertiser peddled his lineage around to each paper, getting concessions ranging from a special survey of 300 dealers to a small brochure published without charge. Many advertising agencies have complied with advertisers' insistence upon special merchandising and research in

(Continued on page 128)

Advertiser Himself Is Responsible, Says Research Authority

BY

WILLIAM J. REILLY

President,
The William J. Reilly Company,
New York City

"Modern Newspaper Research—An Investigator's View," which you so thoughtfully permitted me to read in advance, is, I believe, a fair and straightforward statement of an extremely unfortunate condition.

My personal experiences in marketing research lead me to agree with the article from scratch to finish with the exception of that part of it which deals with the cause. At first sight it appears that the cause of the condition revealed in the article is that advertisers and agencies want something for nothing and the buck is sometimes passed along until it finally reaches the newspaper. But the underlying reason runs far deeper. This

article merely presents a local manifestation of a mental disorder which affects the entire field of marketing research, and advertisers themselves are primarily responsible for such conditions as those explained in the article. For these conditions are the direct result of their lazy and disorderly thinking in the delegation of research operations.

Not many advertisers have taken the time and the patience to define the real place of research in profitable marketing. Most of them behave as if they were not even aware that an organization that profits by the use of certain marketing methods is not in an unbiased position to study any problem which involves the use of those methods. Before we can hope to get any adequate concept of the true function of marketing research and analysis, it is necessary to clear the air of all biased pursuit of information.

It is the function of market research and analysis (1) to diagnose impartially the total marketing situation, (2) to discover what major and underlying factors are dominating this situation and how these factors may

(Continued on page 129)

Service Within Limits Is Fair and Logical, Agency Man's Slant

BY

F. R. COUTANT

Director of Research,
Pedlar & Ryan, Inc.,
New York City

The article on newspaper research presents a picture which is common enough, I am sorry to say. Every research director who travels extensively learns that there are many newspaper "surveys" that might better never have been made.

I would like, however, to add a good word for newspapers that have real research departments, giving reliable service to advertisers.

It seems to me entirely legitimate for an agency to call upon a newspaper for general information about its local market, and such information is in most cases given competently. It is something else again when an

(Continued on page 128)

If you take the Social Register Seriously



MANUFACTURERS who, even privately, expect to sell only the Social Registerites in New York narrow their market tremendously.

Still, if you think your product should be placed before the Best People, it might be well to use the paper that publishes the most interesting gossip of that world which shudders at addresses west of the Avenue.

In the New York American, "Cholly Knickerbocker," himself a member of one of America's distinguished families, has undoubtedly a larger following among persons in society than any other Society Editor of New York. Perhaps every one who reads "Cholly Knickerbocker" is not in the Social Register. But every

one about whom "Cholly Knickerbocker" writes is.

His pages in the Daily and Sunday American are followed by those who want to know both what is said about themselves as well as what is said about their friends. Intimate, chatty, authoritative, "Cholly Knickerbocker" is the most followed chronicler of New York's Mayfair.

Whether you are interested in Ward McAllister's old Four Hundred or in those thousands of them today who are among the 327,000 persons who read the American every morning (*and the more than a Million who read it on Sunday*) your sales message in this newspaper will reach the elect, and at the same time do a selling job on the general public—the rest of us.

New York American

NATIONALLY REPRESENTED BY PAUL BLOCK AND ASSOCIATES

NEW YORK CHICAGO BOSTON DETROIT PHILADELPHIA SAN FRANCISCO



Colonel Lake, of Socony-Vacuum (right), bids godspeed to Post—and Mobilgas—at the start of Post's round-the-world flight.

Balbo and Post, as Customers, Widen Standard Oil's Prestige

HAVING gone to considerable pains to please two prominent customers two Standard Oil companies are now going to even greater pains to make capital of them.

Aviation and other prospects from New York to Novosibirsk (if the Siberian papers carry advertising) are being informed in an international advertising campaign that Wiley Post has broken the round-the-world record, with the help of Mobilgas and Mobiloil, products of the Socony-Vacuum Corporation.

Stanavo Specification Board, on the other hand, is no less proud and promotional of the progress already made by General Italo Balbo and his 24 Italian seaplanes, with Stanavo gasoline used exclusively. The Stanavo company is a sort of combined aviation division, formed four years ago by the Standard Oil Companies of New Jersey, Indiana and California, which also licenses other companies. Its gasoline was chosen by the Italian Air Ministry after an exhaustive test of many brands. Italian lubricants, however, are being employed. Should the Italian fleet return safely to Orbetello, Stanavo expects to do more advertising than its present one large insertion.

Meanwhile, the British Shell Petroleum & Transport Company narrowly lost an advantage when Captain James A. Mollinson and his wife, Amy Johnson, cracked up at Bridgeport, 3,190 miles from their takeoff at Pendine, Wales, and only 43 from Floyd Bennett Field, Brooklyn—their destination.

Servicing arrangements for Post and for the Italian fleet were difficult and expensive, in proportion to the amount

of product actually sold them. Vacuum Oil Company and divisions of Standard of New Jersey, the most far-flung members of Standard Oil, were primarily in charge.

On his round-the-world flight with Harold Gatty two years ago, Post used several brands of gasoline and oil. This time Colonel Harley Lake, chief of the Socony-Vacuum Aviation Division, signed him up exclusively. Three thousand five hundred gallons of Mobilgas, for example, Colonel Lake told this magazine, "were laid down for him at his six scheduled stopping points: 1,200 at New York, 500 at Berlin, 400 at Novosibirsk, 500 at Khabarovsk, 400 at Fairbanks and 500 at Edmonton.

"Due to forced landings, at Moscow and one or two other points," Colonel Lake added, "Post had to get some of his supply independently. I believe, though, that he got Mobilgas at these places.

"Yes, Post paid for his gasoline and oil—but not at the regular rate. We looked on him as sort of a preferred customer." The present campaign, he



Major Aldrin, of Stanavo, had to create 11 isolated filling stations for Balbo.

thought, would last as long as the international public wants to hear of Wiley Post.

Because of the rivalry between the rather independent Socony-Vacuum Corporation and the other three leading members of Standard Oil—New Jersey, Indiana and California, which still are more directly under Rockefeller control—the efforts of the two groups to gain promotional advantages from "their" respective flights become more dramatic.

Stanavo's entire sale to General Balbo and his fleet probably will amount, by the time the return to Orbetello is completed, to 50 times as much as that by Socony-Vacuum to Post. Major Edwin E. Aldrin, vice-president of the Board, told SALES MANAGEMENT that 211,600 gallons were laid down, all told, at eleven points: 17,100 at Orbetello, near Rome; 11,900 at Amsterdam; 16,500 Londonderry; 30,300 Reykjavik, Iceland; 19,600 at Julianehaab, Greenland (which the fliers ignored on the way over); 15,800 at Cartwright, Labrador; 24,300 at Shediak Bay, Nova Scotia; 16,400 at Montreal; 17,500 at Chicago, and 11,600 at New York. Shoal Harbor, Newfoundland, where the fliers are expected to stop on their return journey, got 40,600 gallons, in anticipation of a direct hop to Valencia Island, off the coast of Ireland, or even to Amsterdam. Then, Major Aldrin added, the Azores had to be "spotted" a bit, because General Balbo was at first undecided whether to return via Newfoundland or by a southern route.

The servicing arrangements, he continued, were handled in Europe
(Continued on page 131)



NIRA Deputy: Business paper journalism has been recognized in NIRA through the appointment of Malcolm Muir (left), president of McGraw-Hill, as a Deputy Administrator. He did not seek the job. He went to Washington to get some information. General Johnson sized him up and said, "You're elected. There's your desk!" To date he has worked on codes in the construction, hotel and automotive industries.



Broad Duties: From Austria to Australia, Louis D. Ricci (left, above), new export manager of Gillette Safety Razor Company, will have the important and difficult job of stimulating the demand for Gillette, AutoStrop and Probak razors and blades—as well as a lot of miscellaneous knives, chisels and scalpels. Recently Mr. Ricci was with Foreign Advertising & Service Bureau, Gillette's overseas agency.



Underwood & Underwood
Distant Clinician: (Above) Harry Gordon Selfridge, president of Selfridge & Company, leading London department store, who will address—by overseas radio—the Boston Conference on Retail Distribution in September.

Partner in Propaganda: (Right) T. J. Ross has just been promoted in the reorganization of Ivy Lee, public relations counsel to the Rockefeller and other interests.



Sharp Trader: Resigning as account executive of Fuller & Smith & Ross, Inc., advertising agency, Rossiter Holbrook (below) has become director of sales and advertising of Rolls Razors, of which Lee & Schiffer, Inc., is United States distributor.



Kaiden-Keystone Studios

Film Luminary: Bell & Howell Company, Chicago movie equipment maker, has appointed Fred M. Hall (below) as vice-president in charge of eastern operations, headquarters, New York. He has been selling B & H products for five years.



Who's Now Who



Cliff Knoble

Promotion Organization Launched by Knoble for Chrysler Dealers

Cliff Knoble Business Promotional Corporation has opened offices in the United Artists Building, Detroit, to provide dealers of Chrysler Sales Corporation with promotion materials—electric signs, stationery and approved forms, new car introduction matter, advertising specialties.

Mr. Knoble is succeeded as director of advertising of Chrysler Sales Corporation by Burch E. Greene, who has been in charge of sales promotion work.

In announcing Mr. Knoble's new job to distributors and dealers, J. W. Frazier, general sales manager, explained that "we have arranged" with him "to provide and present such items for your consideration. His company will work very closely with our advertising and sales departments. Many suggestions will have been originated and developed in cooperation with the factory. . . . Mr. Knoble's organization will maintain direct representatives throughout the country who will call on you periodically, at our suggestion, to provide you with helpful and economical business necessities."

Now a General Shoe

Fed by General Foods, General Mills and General Baking, cooled, heated and illuminated by General Electric, soothed by General Cigar and transported by General Motors, you may now be shod by General Shoe Corporation, which succeeds the Jarman Shoe Company, Nashville, Tennessee. Three selling divisions will distribute the company's different brands.

Hires Concentrates to Beat Beer; Coca-Cola Finds Going Tougher

In the face of strong opposition from 3.2, both the fountain and household extract sales of Hires' root beer were "well ahead of last year" in June and July, reports Charles E. Hires, Jr., president of Charles E. Hires Company, Philadelphia.

Because the company's major market is "in the home through our extract," adds Mr. Hires, and because over a period of 60 years Hires' products have been sold primarily to women and children, "we have never thought of combating beer, in the general sense of the word."

Nevertheless, Hires has concentrated its advertising and sales attack this year in some 60 zones, each with a radius of about 50 miles, and embracing, all told, about 57 per cent of the country's population.

"We have supplied our men in these areas with two or three times the amount of dealer advertising they have ever had before," Mr. Hires points out. "In addition, we have been running a year-round campaign in local papers, backed up by posters and page and half-page hot weather rotogravure ads in city papers (emphasizing savings up to 90 cents on every \$1 by the use of the root beer extract), and a number of other forms of advertising, varying with locality. We have also continued a color page campaign in *Saturday Evening Post* and *Collier's*.

"By this concentration we have cut down our traveling expense about 30 per cent, and have put this additional amount into our manpower and local advertising. We are now able to contact with dealers four to five times a year, whereas heretofore we have been fortunate in reaching them twice. As we are able, we plan to add more outlying territory to these districts and to increase advertising there proportionately.

"We believe we shall get as much business out of these concentrated zones as we have out of the entire country in the past."

Beer production and sales, however, are still climbing. Despite the improved general business conditions, some industries and companies are feeling the effects of it.

In April beer production was 2,200,000 barrels, sales 1,500,000; in May production was 2,960,000, sales 2,120,000; in June production 3,164,472, sales 2,471,570.

C. D. Williams, secretary of the United States Brewers' Association, anticipates a total production in 1933 of 40,000,000 barrels. The number of breweries operating throughout the country, meanwhile, has increased from 193 on April 30 to 263 May 31 and 358 June 30.

Coca-Cola, the most widely sold branded beverage, has not done so well since April 7—even though an executive of the Coca-Cola Company, Atlanta, says to SM that "we do not consider that sales of this product and of alcoholic beverages are related." A report has been current that this company would introduce a new 3.2 alcoholized Coca-Cola in an extensive advertising campaign about August 15. This, however, the executive denies. "The history of Coca-Cola," says he, "has been one of concentrating upon a single product since 1886."

A prominent member of the coffee industry points out that beer has reduced coffee sales in restaurants about 20 per cent—the reduction applying at luncheon. He finds that there has also been a large decline in dessert consumption, and desserts have been perhaps the most profitable course restaurants offer.

On the other hand, the New York Coffee & Sugar Exchange reports that coffee bag deliveries in the second quarter of this year were 3,135,000, compared with 2,844,000 for the same period of last year. One coffee executive points out that this increase probably has been due more to the anticipation of higher prices than to any actual price increase in this period. "The Brazilian coffee crop this year," he adds, "is unusually large. The market was quiet up to July 1, though prices have been advancing since."

General Foods Corporation reports that its coffee sales have risen consistently since the first of the year.

The largest factor in the American coffee industry, the Great Atlantic & Pacific Tea Company, refuses to tell what effect beer has had on its coffee sales. A & P now sells more than 200,000,000 pounds annually.

"Of course, coffee sales have been affected by beer," says an executive of Standard Brands—who declines, however, to say how much. Standard Brands controls Chase & Sanborn, which, on the "Dated Coffee" promotional theme, has made perhaps the most notable progress of any coffee brand in the last five years.

Radio Makers to Unite in Campaign on Old and New Prospects

The Radio Manufacturers' Association has come forth with its campaign to build radio prosperity with an intensive sales drive during the month of September and a week of special broadcasting from October 2 to 7, inclusive, the latter to be known as Radio Progress Week.

It is reliably estimated that approximately 6,750,000 homes are now using radio sets which are obsolete and that 13,000,000 homes are without radios. The manufacturers are working co-operatively to get their share of the consumer's dollar for radio products, irrespective of which individual manufacturers fare the best.



The campaign includes canvassing of every radio owner to put his set into condition by installing new tubes, parts or accessories, or to replace an obsolete product with a new set; it also embodies a canvassing of all prospects for new receivers. During the Summer local committees will be organized in all cities so that the drive in September will be a concerted one. Both of the major broadcasting chains have pledged their cooperation and all factors in the manufacturing, distributing, retailing and broadcasting branches of the radio business are being brought into the cooperative plan, which is engineered by the Radio Manufacturers' Association, Earl Whitehorne, director.

The campaign is featuring the poster here illustrated.

Kraft Fights Mayonnaise on Nation-wide Front

Stimulated by its success in the East in the last six weeks, Kraft-Phenix Cheese Corporation, Chicago, is now sending out its new Miracle Whip salad dressing to do battle against mayonnaise in markets throughout the country.

Nearly 500,000 lines of newspaper space, screaming "Double your money back if you don't like Miracle Whip salad dressing better than the finest mayonnaise you ever tasted," and an hour radio program featuring Al Jolson, Paul Whiteman, Deems Taylor and others over 54 stations will support the sales efforts. Special counter and window cards and display ideas are being provided.

Just the same, says J. H. Kraft, vice-president, "we are not letting down in our efforts to sell Kraft Kitchen Fresh mayonnaise."

SUNSHINE BISCUITS WERE CHOSEN BY POST AND GATTY ON THEIR RECORD-SMASHING WORLD FLIGHT



Post and Gatty choose Sunshine Biscuits to go with them on their historic record-smashing adventure, solely on their own merits. The above is an actual copy of an official Associated Press photograph taken for newspaper purposes just before the *Winnie* was cranked away from Roosevelt Field, June 23rd. It was not "staged" for publicity men. Nor were these intrepid sky-fliers "induced" in any way to take Sunshine Biscuits with them. They knew, just as every housewife knows, that Sunshine Biscuits are not only delicious but that they are food... beautiful, nourishing food. Post and Gatty would not... indeed they dared not take with them anything but the best.

An important part of the Post-Gatty round-the-world equipment two years ago was Sunshine Zwieback biscuits. Harold Gatty is shown above, carrying the Zwieback. Wiley Post depended on similar rations in his current venture. (Page 96.)

Built-in Quality Wins Mass Sales: Wirecraft Snubs Price Cutters

When a salesman of the National Standard Company of Niles, Michigan, tackled State Street in Chicago with its Wirecraft lifetime lamp, a few months ago, the going was tough. Buyers ignored the fact that each lamp was made of two or three miles of fine wire, woven into a braid, which was then woven by hand into shades and standards—the brass wire finally being plated in gold, bronze or silver and covered with "metalglow." They ignored the shade, also made of fine wire and lined with silk or similar fabrics, of flesh, green, gold and other hues. They ignored its appearance and ruggedness and thought only of the price, which ranged from \$4.75 to \$53.

The buyers then were interested primarily in lamps that would sell for \$1.95.

In all other department stores there the salesman met the same reply. Finally he induced Commonwealth Edison Company to buy 25 for its West Adams Street store.

A few days later another order came through for 150. Then another order—for 500. And the thing was started. What's more, it kept on going.

Who was buying? The company checked up. Many were moderate-salaried people—street railway employees, city employees, the average run of "white collar" worker. They said

they were tired of buying cheap lamps that had to be thrown out in a little while.

Pretty soon the buyers from the State Street stores began to make inquiries.

The self-same salesman went into the matter with them. He said:

"Now, really, these are very fine lamps. They cost quite a bit. I don't think we'd care to have you put them in alongside a line of cheap lamps. We want to keep away from price-cutters. Besides, we're getting a nice sale, as the thing stands, through the utilities."

Wirecraft lamps are displayed at the World's Fair. One is given each month to the person who guesses closest to the number of feet of wire in the lamp displayed. To decide, the lamp is broken down, the wire unwound and measured.

Hundreds guess every day. An "identification" folder, numbered the same as the coupon that is filled out, is carried off by the guesser. These folders already have gone to homes in every state, every province in Canada and to almost every country in the world where electricity is used.

Persons who guess are advised to buy from their local utility or furniture dealer. They are told to show the folder to the local dealer if he doesn't have the lamps.

Dealer-Manufacturer Relationship under the Industrial Recovery Act

As each new code is adopted under the Industrial Recovery Act, it becomes more and more certain that the relationship between manufacturer and dealer is being revolutionized.

THE FEDERAL TRADE COMMISSION has already condemned as Unfair Trade Practices*:

1. Loss Leader Selling.
2. Consignment Selling.
3. Selling Below Cost for the purpose of injuring a competitor.
4. Subsidizing of retail sales by giving Bonuses, Commissions, Premiums, etc.
5. Premiums or Free Goods to the trade which constitute a *reduction in the List Price*.

Manufacturers and Retailers alike rejoice in the elimination of these practices.

THE ADVERTISED PRODUCT for which consumer demand has been created will be more important to the Retailer for three reasons:

1. Cut-Rate Stores cannot use the Advertised Product as a Loss-Leader and Sell it Below Cost.
2. The Retailer—with Cut-Throat Competition eliminated—can make a Profit in the sale of these Advertised Products.
3. The Retailer can draw people into his store by Displays that feature those Advertised Products for which an every-day Demand has been created by Advertising.

WHAT IS THE "NEW DEAL" FOR THE "SALES-SPOT"—the better way for Mutual Help and Cooperation?

The Elimination of Unfair Practices will result in Sufficient Savings to enable many Manufacturers to Double or Treble their Retail Window Display work with *no extra cost*.

THE MANUFACTURER HAS TWO THINGS TO GAIN:

1. Advertising at the Point-of-Sale at the Lowest Cost per Thousand of Circulation of any Medium.
2. Dealer Good-Will and Cooperation.

Never has there been such an Opportunity for Display Tie-up with Advertising Campaigns.

And—you can have Every Display Installed in the dealer's window, *where you want it and when you want it*, with absolutely *no waste*.

You can be just as *sure of your display* as you can of your copy in a magazine or newspaper, with *guarantees of a minimum showing of one week*.

Plan Now HOW MUCH MONEY YOU OUGHT TO SPEND for advertising at the "Point of Sale"—where Product and Consumer meet. Installed Displays make it easy to be sure you get what you pay for.

WINDOW ADVERTISING, INC.

300 FOURTH AVENUE

NEW YORK CITY

Associate Offices in 140 Cities
Installing Displays
In More than 4,000 Cities

At Your Service
Write for Information

Wherever You Want Displays
One County or One State
Whenever You Want Them

* See "Sales Management".....July 1st, 1933.....Page 18

Why don't you, too, join the

"Sales Letter Round Table"?

In the belief that many sales and advertising executives would profit from participating in a round table through which the best sales letters of the month could be exchanged, this magazine is initiating "The Sales Letter Round Table."

Briefly, here is the plan:

Each person who becomes a member of the "Sales Letter Round Table" will send to SALES MANAGEMENT each month his outstanding letter of the month. It might be a collection letter, a sales letter, a letter to salesmen--any kind of letter. The SALES MANAGEMENT staff will then select the best 25, reproduce them, and send the collection to every member of the club. Maxwell Droke will pick really outstanding examples for mention in his "Sales Letters" page.

To cover the cost of reproduction and mailing, service fee of \$10 a year will be charged to members, payable in advance. Such a fee will seem reasonable when it is considered that it will cover a collection of some 300 or more letters in a year's time. Since the value of the idea depends entirely upon regular contributions by all members, it will be understood that no one who fails to contribute at least once in two months can longer participate. Those who drop out will forfeit service fees.

Naturally, SALES MANAGEMENT'S editors will select for distribution those letters of greatest general appeal. That is, those which contain ideas or involve basic principles that may readily be applied to a variety of fields.

It is quite possible that SALES MANAGEMENT will later announce an award of a cup to the club member whose work over a year's period seems to be the most meritorious from the standpoint of results obtained, character of letters written, and general intelligence of letter-promotion planning.

This is not a plan we are promoting for profit. It will be put into operation only if a minimum of 100 voluntarily express a wish to participate. If less than this number sign up before September 15, deposits will be returned to those who are already enlisted.

Any sales or advertising executive who is interested in participating in this new "Round Table" should communicate immediately with

SALES MANAGEMENT

420 Lexington Avenue
New York City

Sales Letters

BY MAXWELL DROKE

Raising Prices without Sacrificing Good Will

The tidal wave of increasing commodity prices, which we have experienced in these recent weeks, brings in its train a grave problem and a singular challenge to the science of sales management. It is neither a simple nor a pleasant task to tell a customer that the mouse-traps which a fortnight ago cost sixteen cents are now priced at twenty-one. To break the news of advancing prices without sacrificing the

good will of one's trade demands all of the skill and ingenuity which salesmen and sales executives can muster.

Because of this condition, I am particularly interested in a letter which Mr. Sol Herz, sales manager of National Cellulose Corporation, has lately sent to his sales force. It is, I think you will agree, a most sound and



Maxwell Droke

sensible presentation of the current situation:

"Due to advances in raw materials, beyond our control, we were forced to wire you not to accept any further orders at the present level of prices.

"You were authorized several weeks ago to give all your good customers an opportunity to purchase a sufficient supply to last them over the period of readjustment, and we are glad, indeed, that many of them have taken advantage of this offer.

"You are the human link between us and our customers, and we want you to interpret our position and attitude in the proper spirit and manner. We intend to stay in business, and we want to continue to enjoy the confidence, good will and friendship of our customers. I had occasion to listen to a paper-box salesman a few days ago, who had been advised by his mill of a price advance, and also of the possibility of further advances. His approach, and his take-it-or-leave-it attitude could only be construed as arrogance, and gave me food for thought.

"I wish to caution you against making the mistake that this so-called salesman made. Your customers are human, and the buyer has troubles of his own. Be helpful and diplomatic. Now is the time to cement the cordial relations and to strengthen the good will which you have succeeded in building up. Your customers realize that materials are higher and that we are compelled to advance our prices. They will welcome general stabilization, but they will resent your attitude if you make them feel that 'every dog has his day'—and that this is the manufacturer's inning.

"The new era offers tremendous possi-

Standing Invitation

Mr. Droke is always glad to criticize sales letters and direct mail messages for our subscribers. There is no cost or obligation for this service. Address him in care of SALES MANAGEMENT, enclosing a stamped, addressed envelope for reply.

bilities for real salesmen. Some will, during this period of readjustment, make the mistake that the box salesman made, and incur the ill will of the buyer. Others will choose, more wisely, to become diplomats, and will gain an increased measure of power and prestige. Right now the buyer needs your friendship—but remember that it is usually you who need his friendship.

"It is as important that we keep and cultivate our old customers as it is to look for new ones, and possibly more so. None of us can have too many friends.

"Cordially yours,"

Makes Sales Capital out of Probable Price Rise

And while we are on this subject of advancing prices, I want to commend the spirit of reasonable restraint which led a mid-western department store to enclose this slip with statements dated July 1. It strikes me as a very sane presentation, as of that date:

ARE PRICES GOING SKY-ROCKETING?

"Ever watchful of our reputation for truth in advertising, we cannot claim that they are:

"BUT—

"Has the price drop been checked? Apparently, YES!

"Is the wholesale market rising? Decidedly, YES!

"Will retail prices reflect this rise, slowly but surely? Another YES!

"Are retail prices still practically unaffected? YES, again.

"May some prices run wild, and be due for a fall? Probably, YES!

"And the moral of this is—NOW is a good time to buy for your immediate and near-future needs. But really, there's no occasion to buy for years to come (much as we'd like you to).

"L. S. AYRES & COMPANY

"Note: We do not profess to be seers, crystal gazers or economists, and attach no guarantee to the above. It is merely our opinion, and we proffer it publicly as such—in response to the many questions we've been asked by our customers."

Warns "Poetic" Letters Fail at Sales-Getting

Some men should never be trusted with a pen—and kept at respectful distance from all typewriters and dictating machines! Engage these estimable gentlemen in casual conversation and you'll find that they are friendly, likable fellows. Send them forth with a sample case and they will return with a sheaf of signed orders. They are masters of the art of personal selling—but damned poor letter writers. When such a man sits down to write a sales letter he simply cannot resist the temptation to orate on paper.

This outburst is attributable to the fact that an able personal salesman of my acquaintance—the proprietor of a prosperous letter shop—has just mailed me a form letter (I presume it to be one of his own creations) from which I venture to quote only the first two paragraphs. I cannot refrain from wondering what would happen to this salesman—or any salesman—who talked in this strain to his prospects. Here is the preamble—minus martial music:

"When wide sections of the West were opened to settlement some years ago, a milling mob of men and women would sweep like waves, over the territory, to stake claims. . . .

"Today—with the death knell of Depression sounded, business starts a rush to sell. A million merchants and manufacturers forge forward, seeking trade. . . ."

Speeding Collections on Goods Sold by Mail

Virtually all vendors of mail-order merchandise, who extend credit, suffer a considerable loss from those who order goods on approval—and fail to pay. Mr. H. E. McCullough, president of National Business Protective Service, an organization which probably handles more mail-order collection cases than any other in the country, now tells me that there is, in certain of these cases, considerable evidence of deliberate fraud.

It is Mr. McCullough's suggestion that mail sellers who use a Government Permit postal card as an order form include in the copy, on the face of the card, some such phrase as this: "*It is a violation of the Postal Laws fraudulently to obtain merchandise through the mails.*"

I am not so certain that this mild warning would prove efficacious to a hardened offender; but it might discourage the tyros in their plundering, and perhaps cause the careless to be a bit more punctilious in meeting obligations. At any rate, I certainly would like to see the suggestion given an adequate test. To be at all conclusive, such a test would involve, I imagine, duplicate mailings of at least 10,000 pieces each—one set to contain the warning phrase; one without. I shall be glad to hear from any readers who are interested in making the experiment, and to print, in this department, the findings as they are reported to me.

Is Free Market "Research" Worth Just What It Costs?

(Continued from page 118)

relation to their products by throwing the burden completely on to the newspapers which carry their clients' lineage. Even many agencies which once employed their own field men have discarded these, and are adding more work to the never-too-large newspaper research force.

Like every other business, newspapers face lower incomes and have been forced to drastic economies. Unlike the circulation, advertising, accounting and editorial departments, a newspaper's merchandising and research department can be annihilated, and the paper still can be printed. The expense of such a department is not small. The newspaper executive, harried by declining advertising volume and decreased circulation, cuts every department, but in the process takes an extra swipe at the merchandising and research department. Nevertheless, the department head must meet and answer a rising flood of requests from advertising agencies, large and small, from advertisers present and prospective. Keen competition among media now has destroyed the once haughty air of most newspapers in regard to free research and merchandising service. Lineage salesmen troop into research heads with more and more promises of "cooperation." What must the department head do?

Hasty-Pudding Merchandising

In many instances the research director turns out one or more of his more efficient but higher-paid men, and brings in cheaper help. One newspaper, for example, is sending out its office boy (whose salary is \$8 a week) to merchandise and investigate advertisers' products. In other cases the few good men are retained and are worked far beyond their capacity. I am well acquainted with this situation in which market and product investigation mean to the overworked newspaper investigator just so much work to be turned out as quickly as possible. Specifically, a new product in a highly competitive field was to be merchandised. Advertising contingent upon this service was scheduled. In two days the product was merchandised, the relative positions of its competitors were learned by one investigator who chased madly about in his machine, hastily throwing off window signs to 200 stores. The inves-

tigator's immediate superior knew this work was another sham. His superiors knew it also. Yet the advertiser requesting the work received a pretty story of "merchandising effort performed in behalf of his product." Many more instances of this useless, utterly wasted effort in my own department, as well as in those of other newspapers, can be mentioned. It is unfortunate that I know thoroughly what I am talking about, and yet cannot quote example after example to prove that the advertiser is nearly always given a nicely bound "story book" in return for his request for facts concerning the sale of his product.

Everybody knows that regardless of the amount spent to obtain facts, unless the information obtained is accurate the money is absolutely wasted. It is silly to spend a sentence saying this, but newspapers and agencies over the country are doing exactly this.

The cause of this condition obviously is the rise of importance of this work in the minds of advertisers, and the much greater decline in incomes of newspapers and agencies. The old adage, "You can't get something for nothing," covers the situation. Advertisers want from newspapers what they are not willing to buy with cash. Many agencies are piling up demands for extra work which newspapers cannot be expected to finance. And newspapers are not spending the money necessary to supply accurate, trustworthy and reliable service demanded by advertisers.

Ax-Grinding and Research

From every angle it seems that the best—and only—answer to the situation is for the agencies to come clean in their claim of supplying this special service to their clients.

Research and investigation work ought to be done by an organization that has no ax to grind along with presentation of the facts. An example with which to back this statement is the case of an advertiser who wanted to learn the attitude of dealers in one city to his sales policy, which had been in effect there for some months. A newspaper's story presented the dealer attitude as a friendly one, when three-fourths were actually aroused to the point of vigorously pushing other brands. Yet this report satisfied (temporarily) the advertiser who be-

gan his consumer lineage. If he had known the true story, unquestionably he would have first attempted to develop a more friendly dealer feeling.

The present commission given to advertising agencies ought to cover this research cost. Newspapers cannot be expected to bear this cost or even a percentage. Newspapers exist primarily to be read. They are not logically in the field of research and merchandising, and the few papers which have developed beyond question a superior service of the kind appear to be usurping the agency field. Newspapers, it must be remembered, *sell advertising space*, and this fact is the ever-present background for reports to advertisers.

If the trend toward newspaper development of marketing research continues, the advertising agency which has pushed newspapers deeper into expensive research departments must inevitably be thrust from the field—along with its 15 per cent. However, the problem is not solved so easily. In the coming years many newspapers will fight to the last, even as today, to avoid the expense necessary to supply reliable marketing research to their advertisers. In the process of shifting the expense burden, the pile of discredited research—large as it is now—is sure to grow larger. And this is of the utmost importance: What will be the effect of such discredited research on the rising field of scientific study in relation to marketing? Will merchandising research—instead of becoming debunked with age—be entirely submerged by half-true truths, amateurish, ignorantly prepared "studies?" Is dangerous "side-line" marketing knowledge to be the order of the future, as it is becoming now?

Fair Within Limits, Agency Man's Slant

(Continued from page 118)

agency asks a newspaper to find out how many houses worth over \$5,000 will be built in that city within the next five years; or to ask dealers for their sales and profit figures on competitive products. It is likewise unfair to palm off the newspaper's work without proper credit as a service given by the agency. The unfair requests seem to come from agencies of two classes:

(1) Those who believe in research and are making mistakes due to inexperience;

(2) Those who make a gesture of research, but do not believe in it enough to equip themselves properly.

Research today is in the same status as advertising copy writing was twenty years ago—one professional to one hundred amateurs. Just as twenty years ago the publisher was often asked to write copy, so he is called upon today to do research.

As knowledge grows of the difference between good research and a gesture, fewer advertisers will be satisfied with agencies that palm off newspaper research services as the proper discharging of their responsibilities to get at the facts about markets.

Destiny will take care of advertising agents who still doubt that research is an essential function of the agency's own organization. But destiny works slowly, and newspaper publishers who suffer under high costs of servicing national advertising would, I believe, find many agencies willing to help them establish reasonable limits.

Advertiser Responsible, Says Research Authority

(Continued from page 118)

be influenced or controlled, (3) to set up a plan of keeping in touch with these dominating factors and for measuring the results of any efforts made to influence or control them.

Because the mechanics of placing advertising provide easy and convenient ways of getting research information at no cost, we hear very little about research in relation to the other marketing instruments that can be used to stimulate a business. In attempting to secure profitable increases, any manufacturer has at his disposal four other primary marketing instruments. The product itself, the availability of the product, the price of the product, and personal selling. Rarely does the manufacturer give any systematic thought to the strategic use of these instruments. But getting down to advertising. Here the thinking usually starts with some arbitrarily fixed amount of money to be spent. Certain media are thought of which can be bought in units so that the amount of space bought is equal to the amount of money to be spent. In most instances all of this is done prior to any research.

Obviously one can neither appraise media for doing an advertising job nor determine the amount of money required until he knows what that job is. In other words, the fundamental questions in relation to advertising should be considered in the following order:

1. What are the primary and secondary objectives of his advertising?

2. Whom does the advertiser want to influence?

3. What does he want to sell them?

4. What time limits are involved?

5. Which media should be used?

6. How much money is required?

The need for defining the advertising job is so extremely obvious that one is likely either to take for granted that he knows what he wants to do without going to the trouble of defining it, or to arrive at a hasty definition on the basis of assumed rather than known conditions.

Not until advertisers develop a real desire to learn the specifications of sound research and the place of re-

search in profitable marketing operations, will the conditions expressed in the accompanying article be corrected. Meanwhile, we can expect to see research liberally used by sellers of service or merchandise, as bait for the sales-hook. We can expect to see details of research retouched, dates bended, and incidents fitted to serve preconceived purposes of organizations who are trying to sell something.

We shall continue to find much emphasis on research talk, but comparatively little research that fills the requirements of sound practice.

Today marketing research for the most part is in the stage of opportunistic problem-pecking in which the medicine man is having his day.

MODERN BREWERY

WITH WHICH IS CONSOLIDATED

Brewer's
Art

When one magazine
with the highest rate
in its field carries more
advertising than any of
12 competitive papers...

there's a reason

THE NATIONAL BREWERY MAGAZINE

Three Star Salesmen

(Continued from page 111)

B. Shinavar, Real Silk hosiery salesman of Detroit, are strikingly similar to those of successful oil burner men, automobile salesmen or insurance agents.

Especially is this true of the principle that planned work makes for superior producing ability. Shinavar makes about 40 calls a day. About half of his leads are obtained from users; the other half he develops by cold canvass.

Because Real Silk follows the plan of assigning to good salesmen a group of junior men to supervise, not all of Shinavar's time is spent in selling. He spends about three hours a day directing the activities of a group of 40 green men who work under him.

Every day's work is planned the night before, Shinavar says. Old customers are listed, together with call-backs. After working these he spends the remainder of his time canvassing. Usually he works two evenings a week to catch the prospects he hasn't been able to see during the day.

A large measure of Shinavar's success at his particular type of selling is due to the simple fact that he tries sincerely to follow the instructions of his sales department, and to use the tools furnished by them. These instructions are prepared by experts, he says, and he sees no reason to believe he can improve on them.

A minimum of five boxes a day is the quota Shinavar sets for himself. (The sale of a standard box gives him a profit of one dollar.) If he gets off to a good start, and makes his quota in a few hours, he works all the harder that day because he knows he's in good selling form.

Shinavar's Biggest Sale

Shinavar's biggest sale during the depression totaled \$102. (Readers are reminded that in the average retail store hosiery sells in single units, with the great majority of the business done in the less-than-\$1 price range now; \$102 worth of hosiery, or hosiery and underwear, therefore, represents a very big order for this type of merchandise.) In this instance he had contacted one family several times, suggesting that they use Real Silk merchandise for Christmas presents. On the approach of the holidays, he went over the Christmas list with the family, selecting hosiery, lingerie, etc., for the different members. He has sold this family ever since.

One morning when Shinavar had

four student salesmen with him he called on a woman who said she wasn't at all interested. Explaining that he was training the new salesmen, Shinavar asked whether he might make a presentation anyway, just for their benefit. The woman assented. But she became so interested that she entered a \$26 order and has been buying intermittently since that time.

No "Whitewashed" Day

Shinavar hates to be "whitewashed" on any day. One day when he hadn't made a single sale he started for his office to work that evening. On his way he stopped at an apartment house. Upon ringing the second bell, a man in pajamas appeared at the door and admitted him. Shinavar had scarcely started a presentation when the prospect interrupted to say he liked the white socks and wanted six pairs. The prospect then casually suggested that he ought to have some black ones, too. Then some black and white. Then some tan. Then brown. He finally ended up by adding two suits of underwear. The order totaled \$30 and the whole transaction was completed in about five minutes.

Shinavar is not afraid to strike for big orders, and it is this quality which enables him to sell in good-sized units. He has sold two \$100 orders in the same week. This same opportunity is obviously open to any salesperson who stands behind a retail counter, but a retail clerk, ninety-nine times out of a hundred, is afraid to ask for an order for even six pairs.

Shinavar has won all sorts of prizes in national and local sales contests conducted by Real Silk. His latest award is a wrist watch won for personal performance plus efficiency in hiring and training new men. Credits were five points per box for selling and 50 points for hiring and training each new salesman, but no more than 300 recruiting points were allowed. During the period covered by the contest he sold 177 boxes and trained six new men for a total of 1,185 points.

Before he joined Real Silk, Shinavar was a clerk in a haberdashery store in Detroit. He is 27 years old now, and he likes his present selling job better than any other job he knows about. He has averaged about \$3,000 a year in earnings during his three and one-half years in his present capacity.

The record of salesmen like Charles B. Shinavar especially commends itself to the attention of a sales execu-

tive who is attempting to build men to sell any line whose problem and field are in any way comparable, for his performance proves that satisfactory results can be obtained through the careful development of the steady, sincere type of worker. Star sales performance is not necessarily limited to men of the flashy, brilliant and more or less temperamental type—in fact, many concerns would prefer not to have a flock of prima donnas on the force if they could get really good results with a more stable type of man.

The third member of this month's trio is Fred S. Goldstandt, "topper" for the Equitable Life Assurance Society of New York. Six and one-half years ago Goldstandt went to New York cold, having no contacts and no friends there. In the period since he has built himself up to the position of Equitable's leading producer, with a record for 1929 as high as \$2,049,476, and the 1932 leadership of \$1,258,969 paid-for insurance. His new premiums for '32 amounted to \$37,963, representing some 52 cases.

Forty-three years old, Goldstandt has been with Equitable exactly twenty-five years. Unlike many star salesmen, he has not built his volume principally through cold canvassing, but rather through the "endless chain" method. In fact, he will tell you that a turn-down on a cold canvass will ruin him for the day. So Goldstandt makes it a point to service each sale so thoroughly that one customer brings him many other customers. In fact, he believes the sale only begins when the order is signed.

Let the Prospect Talk

Goldstandt shuns competition and probably doesn't face it more than twice a year. It is his belief that if a salesman handles the prospect right he never has to put himself into a competitive position. And this is true even in depression times. The problem today is to realize that there are plenty of people who still have money. What the salesman must do is take up the slack, eliminate all the waste effort in selling insurance and find those people with money.

In accomplishing his records (and they are many, because he has been a member of the Million-Dollar Round-Table of Equitable for several years), Goldstandt has never used any standard selling technique except that of letting his prospect do a large share of the talking. He feels most insurance salesmen talk too much. The prospect is distinctly refreshed when he meets the salesman who lets him participate freely in the conversation.

Goldstandt feels that the prospect will make a sale for you if you only give him a chance. The trick is to guide the prospect's talk so that he opens up and tells you what his life problems are and what he really wants to accomplish by his insurance. Once you have done that and have adequate capital in a knowledge of insurance, you can build an insurance policy that will best accomplish the prospect's wishes. Once you have set the stage in such a fashion and made it easy for the prospect to take action, the sale is soon made with the prospect "buying" rather than being "sold."

Thus the attitude of the salesman, Goldstandt feels, sets the attitude of the prospect. A case in point is the largest sale Goldstandt made last year. It was for a policy totaling \$158,000. The prospect never knew how much the insurance was going to cost him. Goldstandt made the sale entirely on the basis that the prospect's present insurance did not do what he wanted it to do for him. Goldstandt drafted a new policy to accomplish the prospect's desires. The insurance policy was placed on the prospect's desk and never even examined by him. The agreement of this acceptance was based entirely on how the prospect would prefer to make his annual deposits, without any mention of the size of the deposits.

Policy Visualized in Action

This is almost a perfect case of Goldstandt's insurance selling theory. He had visualized in action the insurance policy he finally sold the prospect. By a picture of what it would do for the prospect's beneficiaries, Goldstandt had hurdled that man's selfish side and made him pinch today for benefits in the distant future.

But all of Goldstandt's sales are not that big. He believes in never considering any prospect too small and in looking for prospects wherever he goes. Goldstandt had not been eating in a restaurant long before he found out enough about its proprietor and his plan of life to sell him a \$10,000 policy to the benefit of his six-months-old child. That sale inevitably led to another, with the prospect taking \$25,000 insurance for himself.

The way Goldstandt runs his business, finding new prospects is really no problem. His problem is to organize his time so well that he finds it possible properly to service his present accounts. Properly servicing them, he knows, will bring new prospects.

Goldstandt keeps himself abreast of insurance topics by wide reading of

insurance books and periodicals. Because his clientele has varied interests, he makes it a point to read business topics widely and finds it a sales advantage as well as a personal pleasure to discuss his reading with the many people with whom he does business.

To keep himself on the go, Goldstandt sets his own quotas beyond those set by his company. He works his own quota system on a month-to-month basis, trying to meet a previous good month. This is important, he will tell you, because it gives him the urge to close sales that are hanging fire, and resist the temptation to tell himself glibly that the prospect is not quite ready yet. Once he starts to close, he goes to the limit.

S. O. Makes Prestige of Balbo and Post

(Continued from page 120)

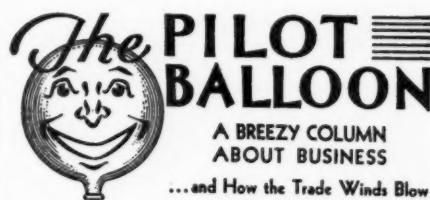
through the Societa Italo Americana per Petrole, in Canada through Imperial Oil Company, Ltd., and in the United States by Standard Oil Company of New Jersey, Standard Oil Company of Indiana and Colonial Beacon Oil Company. Imperial and Colonial Beacon are affiliates of the New Jersey company.

"Of course," Major Aldrin pointed out, "we had to lay down more gasoline at each point than we estimated to be needed. Some of this will be used by other flyers who are or will follow similar routes. For example, we are now servicing Col. and Mrs. Lindbergh on their flight across the North Atlantic.

"In order to get fuel and supplies through to Cartwright, it was necessary to engage an ice breaker."

Balbo's 24 Savoia-Merchetti flying boats are each powered by two 855-horsepower Isotta-Fraschini engines, driving tandem propellers. They have a cruising speed of 128 miles an hour. All the chief pilots on the present flight are veterans of the hop, two years ago, from Rome to Rio de Janeiro.

Some other manufacturers who are congratulating Post promotionally include Pratt & Whitney Aircraft Company (subsidiary of United Aircraft & Transport); Bendix Brake, Bendix-Stromberg Carburetor, Eclipse Aviation, Pioneer Instrument and Scintilla Magneto (divisions of Bendix Aviation Corporation), and Sperry Gyroscope Company—whose automatic pilot and directional gyro did a lot to lessen the strain on the little Southwesterner's good right eye.



Conducted by Tom Tell

MAKING ADVERTISING AND SALES PROMOTION EFFORT PRODUCE GREATER RESULTS

- In line with the policy of making advertising dollars more productive, sales promotion plans today should be aimed at securing more direct results.
- Millions of people, thru education by advertising, have favorable opinions of many products—yet too few of them are moved to actually buy these products.
- Consumers are confused by competitive claims. Advertisements are read—and believed. Then competitive advertisements are also read—and are just as convincing.
- Dealer's shelves, displaying a multitude of products, do not help the consumer make up his, or her mind.
- Thus is shown the need for an influence at the point of purchase, which will crystallize the favorable opinion of the consumer into actually selecting your product. And to focus special attention of the dealer on your product.
- "Oak Brand" balloons and novelties are such a medium of sales promotion.
- An attractive, colorful toy balloon given with merchandise at the point of sale is a forceful inducement for the consumer to buy. It turns favorable impressions into sales. It creates sales among people who may pay no attention to advertisements.
- The toy balloon plan gets that helpful special attention from the dealer—including the special display of your merchandise.
- The balloons themselves produce an attractive and alluring display in the store—creating interest and inducing action.
- The balloon plan produces a great amount of dealer "tie-in" advertising for the benefit of your product.
- Balloons appeal to all classes, and they are effective the year round.
- And best of all, the cost is small. In practically every campaign the balloons have sold the merchandise, and more than paid for themselves, before the investment in them becomes due.
- Why don't you fully investigate the possibilities of an "Oak" balloon plan applied to your sales promotion effort? You can have a distinctive balloon that will set your campaign apart from all others. The facts are yours, without obligation, by asking *The Oak Rubber Company 210 S. Sycamore St., Ravenna, Ohio.*

Media and Agencies

Coordinator Fry

"A real spirit of cordiality and cooperation" has been shown by some 60 advertising associations and companies, replying to a letter from Wilfred W. Fry, president of N. W. Ayer & Son, Inc., Philadelphia, inviting the industry to organize under NIRA, Mr. Fry reports to SM.

Repliers represent agencies, publishers of newspapers, periodicals and trade papers, radio, the printing crafts, motion pictures, outdoor advertising, window installation and specialties.



Wilfred W. Fry

"Not all of these groups, of course," Mr. Fry adds, "are in initial agreement with the proposal that the advertising industry as a whole can be brought together under one code. . . . But the letters show clearly that the industry is much nearer a solution of its problems than it was a month ago, even though the final result may take the form of several codes rather than one.

"As to a general agreement upon the method of eliminating 'unworthy practices,' it is too early to report. Such practices vary greatly in the different branches of the advertising business. They are certainly not the same among agencies, for instance, as they are in the outdoor field or any other.

"We here feel, however, that a common denominator can be found and are proceeding along that line."

Like its client, Henry Ford, the Ayer agency has long pursued a lone course in its industry—frowning, for example, on all persuasion to join the Four A's. If Mr. Roosevelt has sown a spirit of cooperation over there, whatever else may transpire, the New Deal may not be in vain.

Window and Screen Codes

Meanwhile, the first branches of advertising to do something specific among themselves along this line appear to be the window display installers and the film producers.

A group of window men, at Detroit recently, launched the National Display Installation Association (formally to be organized at the Hotel Stevens, Chicago, August 28 and 29), drafted a fair practice code and a tentative code for increased wages, reduced working hours and the outlawing of unfair trade practices—details of which will be determined, and an administrator appointed, at Chicago. N. Silverblatt, *Display World*, Cincinnati, is acting executive secretary. Membership fee is \$5.

Representatives of 11 New York advertising and industrial film companies have gone as far as the committee stage. William J. Ganz has been elected temporary chairman and Clinton F. Ivins, of Pathscope Company of America, 33 West Forty-second Street, New York, temporary secretary.

A Steering Committee to prepare initial plans for a code comprises William H. Lough, E. W. Castle, J. Alexander Leggett, and a Committee on Organization and By-Laws, Francis Lawton, Jr., W. G. Nichols and Don Carlos Ellis. The temporary officers are members of both. The group is working toward elimination of unfair practices and a broader scope and improved standard of business films.

NIRA Switches Plants

Quite a number of the publications hitherto printed at the eastern plant of the W. F. Hall Printing Company, meaning at the New Jersey plant of the Art Color Printing Company, are moving to Chicago. This change includes the *Tower Magazines*, circulated through the Woolworth chain and more recently also via public newsstands. It is understood that these changes are largely brought about because of the employment differentials under NIRA in favor of the west.

\$23,500 Package

The most expensive, and perhaps the most valuable, single-insertion advertising "package" yet devised is now being offered by A. C. G. Hammesfahr, president of Metropolitan Sunday Newspapers, New York City.

The package consists of a combined full-page color-gravure rate of \$23,500 for nine papers in the group, and including the *New York Daily News*, which still offers gravure only in monotone. Added up, the individual rates of these papers total \$26,371.05. Thus the saving to advertisers through the initiation of group selling of color-gravure for these papers is \$2,871.05.

The eleventh MSN paper, the *Boston Globe*, is not included.

The ten participating papers—combined circulation 4,500,000—are the *Baltimore Sun*, *Buffalo Times*, *Chicago Tribune*, *Cleveland Plain Dealer*, *Detroit News*, *New York News*, *Philadelphia Inquirer*, *Pittsburgh Press*, *St. Louis Globe-Democrat* and *Washington Star*.

Newspaper Advertisers

Concrete action on the \$500,000 program to advertise newspaper advertising of the Southern Newspaper Publishers' Association (SM, July 15) already has begun. Herbert Porter of the *Atlanta Georgian-American*, chairman of the advertising committee, announces that the first advertisement "already is in production and others are in the formative stage."

"The idea of the campaign," which will run in Southern newspapers and in business papers, Mr. Porter adds, is "to create new advertisers; to sell newspapers over other local media; to sell the South as a market, and to sell the necessity of using Southern newspapers in any well-rounded national program."

J. L. Mapes of the *Beaumont Enterprise & Journal*, new SNPA president, announces the advertising committee:

Alabama, Henry P. Johnston, *Huntsville Times*; Arkansas, K. A. Engel, *Little Rock Democrat*; Florida, Truman Green, *Tampa*

Tribune; Georgia, Boykin Paschal, *Savannah News and Press*; Kentucky, W. Bruce Hager, *Owensboro Messenger-Inquirer*; Louisiana, J. F. Tims, Jr., *New Orleans Times-Picayune*; Mississippi, James H. Skewes, *Meridian Star*; North Carolina, D. Hiden Ramsey, *Asheville Citizen and Times*; Oklahoma, Edgar T. Bell, *Oklahoma City Oklahoman and Times*; South Carolina, A. W. Huckle, *Rock Hill Herald*; Tennessee, Enoch Brown, Jr., *Memphis Commercial Appeal*; Texas, Steve Kelton, *Houston Chronicle*; Virginia, Junius P. Fishburn, *Roanoke Times and World-News*; West Virginia, Jim H. Shott, *Bluefield Telegraph and Sunset News*.

Jobbers' Choice

Pamphlets, booklets and other literature enclosed or sent with shipments by manufacturers are "no good," "not worth a darn" and "waste of money," the Bureau of Advertising, ANPA, discovers in an analysis of reactions of grocery product jobbers throughout the country to various kinds of advertising.

Jobbers in every section of the country were generally agreed that newspapers lead in pulling power—followed by radio, sampling and outdoor.

Two-Year Contracts

"NIRA will help—not hinder" advertising, believes M. A. Williamson, publishing director of *Chemical & Metallurgical Engineering*, a McGraw-Hill publication, who says that the front and back covers have been signed up until July, 1935.

Changes

Jesse H. Neal becomes vice-president of Case-Shepherd-Mann Publishing Corporation, New York. The first executive secretary of the Associated Business Papers, and a former secretary-treasurer of the Associated Advertising Clubs of the World, Mr. Neal more recently has been general manager of the *American Pulp & Paper Association*. . . . W. D. Grafton, of the New York office, is now manager of the Detroit office of *Motor*, a Hearst business magazine. . . . Ferry-Hanly Advertising Company moves its Kansas City offices to 911 Walnut Street. . . . Lloyd W. Baillie, vice-president of J. Walter Thompson Company, becomes a member of the executive board of the Four A's, to succeed Stewart L. Mims, resigned. . . . Merton V. Wieland, formerly of Mitchell-Faust-Dickson & Wieland, joins J. Walter Thompson, Chicago, as account executive.

The New Orleans *Times-Picayune* Publishing Company buys the *New Orleans States* from the estate of the late Colonel Robert Ewing, continuing publication from the *Times-Picayune* office. . . . Aubrey & Moore, Inc., Chicago, becomes Aubrey, Moore & Wallace, with the addition, as vice-president, of L. T. Wallace, for 12 years with McCann-Erickson in Cleveland and Chicago. . . . J. M. Mathes, Incorporated, is being formed by Mr. Mathes, until last March senior vice-president of N. W. Ayer & Son. The agency's office is in the Chanin Building, New York. . . .

Spot News on NIRA

(Continued from page 104)

creased. A counter suggestion has been made that the industry adopt purchase costs in its code until Government figures prove that 50 per cent of the unemployed are back at work, and then shift to replacement costs.

The drug industry is phrasing its code, "cost when sold."

What Is Cost?

If you have friends in the textile industry keep in touch with them for news on the operation of the Code, since that is the only one in operation to date. Most mills accepted future orders with a clause that prices should be readjusted to compensate their higher labor costs made necessary by the Textile Code. Now they are starting to fill these orders and are up against a very sensitive problem in fixing the new prices, inasmuch as the determination of these costs may be arrived at (in case of dispute) by an arbitration council—which would mean that outsiders, and possibly their own customers, might be given free access to their books.

Exit Price Competition?

Wage increases have recently been announced by both the RCA Victor Company and Philco Radio & Television Company, although the radio industry as such has not yet submitted a code for NIRA approval. In case of Philco, the wage increase followed the settlement of an actual strike. This whole development is interesting because the manufacturers of radio sets for several years past have been engaged in price competition of a serious nature.

Will higher prices bring higher profits? Temporarily at least, the industry control program may tend to limit profits through distribution of earnings in the form of more wages, but another purpose of the Act is to create profits in industries where there have been none. But unless radio companies as a whole act in concert (and the same thing applies to almost every industry), the problem of price competition is not going to be solved merely by raising the average level of prices.

Hume Joins Gooch

Frederic W. Hume, who has served as executive secretary of the National Publishers' Association and as managing director of the Domestic Paper Industry, has joined the management group of Joseph Gooch, Jr., and Associates, New York.

Advertising-Sales Ratio Higher in Big Stores, Harvard Study Finds

The Bureau of Business Research of Harvard University released in July Bulletin No. 90, entitled "Expenses and Profits of Department Store Chains and Department Store Ownership Groups in 1931." It contains what is believed to be the first published statistics covering completely the operating and expense statements of department store chains and women's apparel chains. Among other statistics brought out are the following: 25 chains operating 2,314 stores did an aggregate business in 1931 of 308 millions of dollars, as compared with 14 chains with 1,728 stores doing an aggregate of 337 millions of dollars in sales in 1929. The P. & L. changed from 3.65 per cent profit in 1929 to 3.31 per cent loss in 1931. Stock turnover fell from 3.77 to 3.43.

In 1931 salaries and wages, advertising, P. & L. and stock turnover ran as follows:

	Salaries and Wages	Advertising	P. & L.	Stock Turnover
Department Store Chains	12.21	2.50	3.31 loss	3.43
Variety Chains...	13.21	0.31	1.24 profit	5.11
Department Store Ownership Groups	17.83	4.04	3.03 loss	5.31
Women's Apparel Chains	14.65	1.50	3.03 loss	9.10

A breakdown between the larger stores and the smaller stores indicates that the larger stores spent a bigger percentage of sales for advertising and had a smaller percentage of loss.

Mills Novelty Inaugurates 500-Man Specialty Force

A sales force of 500 trained specialty men, working out of offices newly established in Chicago, New York, San Francisco, Boston, Detroit and Pittsburgh, is being organized by Harry E. Steiner, just appointed general sales manager in charge of refrigeration and several other products of Mills Novelty Company, Chicago.

Mr. Steiner has been vice-president and general sales manager of Holcomb & Hoke, Indianapolis.

9,000 "Flaming Divers" Help Sell Unguentine

Norwich Pharmacal Company has purchased 7,500 large window displays of a flaming diver, 1,500 smaller displays and "upwards of 2,000 24-sheet posters" for showing at beaches throughout the country, Willard Tomlinson, director of advertising, tells SALES MANAGEMENT.



help wanted

The point, you say, is obvious? Quite right, only in a stricter sense it is an old phrase that was relegated to the discards way back in 1929 and revived in the form of an increase in Help Wanted advertising published during the month of June in the Newark Evening News. Not since 1929 has this particular classification—the true yardstick of business conditions—shown such a highly encouraging and brilliant picture.

Naturally, this increase after four years is significant. More closely defined it means more jobs available in the area served by the NEWS. More jobs means industry's tempo has quickened—speeding up of production—orders must be piling in. Increased employment means increased payrolls, more money earned, a bolstered purchasing power!

In the country's most industrially diversified city it was inevitable that this improvement would reveal itself at an early stage in the changing trend—an accurate barometer of Newark's exceptional trade possibilities.

Newark Evening News

EUGENE W FARRELL
Business & Advertising Mgr
215-221 Market Street
Newark New Jersey
O'MARA & ORMSBEE
General Representatives
New York Chicago Detroit
San Francisco Los Angeles

C o m m e n t

GETTING RESULTS FROM ADVERTISING: Within the last few days SALES MANAGEMENT had an opportunity to chat with the advertising head of one of America's greatest chain systems, which probably uses more newspaper advertising space than any single concern in America. Moreover, it is a company that can track down the returns from advertising more accurately than is true of practically all users of advertising space. . . . This chain store executive imparted the interesting information that whereas the productivity of his company's advertising steadily declined as the depression continued, conditions have changed so materially within the last eight weeks that already substantial evidence exists to indicate that advertising is currently being read more widely and more intensively, and is *producing more results* than was the case even in normal times. This tends to confirm the principle that sales promotion efforts produce less and less as the spiral of general business activity continues downward, but, conversely, results from sales promotion increase on an accelerated basis as the spiral of business improvement continues upward. . . . Many concerns have hesitated to push sales and advertising in an enterprising manner. We believe companies following such a policy of watchful waiting will wake up to find that the old proverb of the early bird is true.

BIG STICK: The advertiser who buys space in certain publications solely because he hopes thereby to provide himself with a big stick which he can swing over the editor's head in controlling or influencing the editorial content of the medium in question is a menace. A flagrant case of this type came to our attention last week. A large company manufacturing a line of scientific products cancelled its contract with a high-grade scientific magazine—a magazine of unquestioned authority and prestige in its field. When the business manager of the paper called, the advertiser frankly pointed to an illustrated article published shortly before, which dealt with processes and equipment developed by a rival foreign manufacturer. He stated with equal frankness that they would continue to refuse to place advertising in magazines which gave publicity to new processes or newly developed scientific data which tended to discredit or question the basic scientific principles now being used in their line.

PREMIUMS AND NIRA: In quite a few of the codes to be submitted to General Johnson, it has been reported that provision is being made for the elimination of premiums. SALES MANAGEMENT's investigation indicates that these reports are rarely, if ever,

correct. It may be true that in certain industries the percentage of the sales price which can be applied to the use of premiums will be limited in some manner which parallels the use of money for sales promotion along other lines and via other media, including publication space. It seems incredible, however, that the Government should permit a trade code to dictate the methods for promoting sales and the media which must be used by individual concerns. This seems especially so in view of the fact that many of the largest national advertisers are among the largest users of premiums, and in view of the further facts that premium manufacture of itself involves a substantial volume of employment, a substantial volume of shipping for the railroads, and that premiums have proved their ability in many fields to increase the consumption of merchandise.

PRICE FLUCTUATIONS: The recent substantial decline in security prices and in commodity prices increased the skepticism of the skeptics about the whole recovery program. Nevertheless, it seems fair and proper to conclude that interests outside of Washington have been chiefly responsible for the gyrations which have recently occurred. Many individuals, quick to forget the tragedies of 1929-32, jumped into Wall Street blindly to recoup fortunes. Simultaneously, many manufacturers sought to amplify profits by buying commodities and other supplies at a minimum cost and by manufacturing as large inventories of staple products as possible, while old wages and old working weeks were still in vogue, so that they might reap the fullest benefit from higher price levels growing out of the recovery legislation. . . . Both of these activities temporarily pushed demand far beyond its normal pace and, in consequence, abnormal demand tended to skyrocket prices. There had to be some reaction, but at least we shall have the satisfaction of seeing that the bottom is no longer missing as it used to be. The long time trend in both commodity and security prices is undoubtedly upward and the occasional setbacks will represent the shaking out of the purely speculative tendencies, plus the temporary quite selfish efforts of business to be expedient. . . . The recovery program has already gone far enough to indicate in the main its benefiting effects. Drastic efforts to eliminate fluctuations are likely to prove unavailing and highly disturbing. However, whatever business or Government can do along lines that are sound and safe to keep these fluctuations within reasonable limits should prove valuable at this time when, above all, people in business must know within fair degree the costs on which they engage to transact business.

Ray Bill

Bulletins that Keep the Sales Plan Alive

(Continued from page 114)

The bulletins themselves consisted of two parts, joined together by a simple wire stitch at the left, top. The first part is a letter, done on regular Remington Rand stationery, and addressed to "Division, Branch and District Managers." It is a brief letter, signed by the writer of this article, and is intended to introduce the subject matter of the accompanying bulletin and also spotlight points concerning general business conditions not included in the bulletin itself. The latter, part two of the weekly bulletin, is made up of three pages of single-spaced typewritten data.

The first two bulletins in our series dealt with "Market Analysis." In these we stressed the point of our branch managers using their own sales records to aid in making adequate surveys that would, in turn, put them in a strong selling position when the sales record campaign should formally open on January 1. Our letter, accompanying Bulletin Number Two, should be of interest in this connection and I shall quote the first two paragraphs.

"Take this market analysis you're completing this week. No special complications. No super-mind required to stage it. Just a straightforward study of records and a little thinking from that point on. Just an application of common sense.

Perpetual Market Analysis

"But if you have not discovered, in your office, that your own sales system furnishes *perpetual* market analysis, you're not functioning as a sales manager should. If your men have not acquired an experience that proves sales record values more conclusively than ever before, they are side-stepping a responsibility which must be assumed before they can talk with sales-minded prospects. You and they must have a new understanding, must have new ability, must discuss practical points, not theoretical."

Our third bulletin was the one exception to the general form of these weekly bulletins. It consisted of three sample letters to use in a direct mail campaign to "sales executives," with a sheet of instruction data, which read:

"Last year, during the sales record campaign, the New York office made 126 new installations. This result came from carefully co-ordinated sales effort. Thoroughly planned and well

(Continued on page 139)

ONE SURE WAY TO SELL PEOPLE

● Talk to them in terms of their own personal problems. Every up and coming, capital copy executive knows that. Witness why Thomas L. L. Ryan talks "Pink Tooth Brush" in the splendid Ipana messages; why Sara Birchall frankly discusses specific ailments in her attention-getting Kellogg's Kaffee Hag Coffee advertisements; why Ruthrauff & Ryan do not mince many words in their sure-to-be-read "B.O." stuff for Lifebuoy.

All these experienced, skilled copy-writing personages are fully cognizant of the pulling power of directing their sales messages to pertinent personal problems. The appeal is usually irresistible because people are selfishly interested in themselves. Always. That's only human.

No editor is more keenly aware of this than Bernarr Macfadden, the editor of Physical Culture Magazine. For some 35 years now, he has been alert to the vitalness of personal problems and family relationships. The editorial pages of his magazine, Physical Culture, and his correspondence with readers have right down through the years welcomed frank discussions of problems affecting health, child care, feminine hygiene, family relationships and similar matters affecting one's social and business life.

In every mail without fail, the editors of Physical Culture receive stacks of letters dealing with personal problems. Everyone is answered, either through

the discussion of the problem in the editorial columns or by correspondence. So many people—thousands and thousands—rely upon its editors to solve their particular perplexing problems that Physical Culture today is fast becoming known as "The Personal Problem Magazine."

More than a quarter of a million people regard Physical Culture as a friendly magazine, always ready to help them with their intimate problems. A magazine whose editors they know instinctively will never let them down when they are seeking authoritative aid in reaching a decision on an important personal matter.

That's why Physical Culture possesses an audience second to none in the entire magazine field for loyalty and responsiveness. That's the reason, too, that the circulation of Physical Culture is increasing—some 25% increased newsstand sale for the July issue alone. Furthermore, the advertising pages of Physical Culture offer you the one sure way to reach and sell these responsive people. More than a quarter of a million families, who, when cultivated properly, will be just as loyal to your product as they are to Physical Culture Magazine.

John F. Learter

AN ADVERTISEMENT FOR PHYSICAL CULTURE MAGAZINE

Zip's War With the Oil Giants

(Continued from page 108)

Other major companies, including White Star Cities Service, Shell, Texaco and Sinclair, adopted Standard's plan and attempted to maintain the same prices. (This looked like collusion to the Federal Trade Commission, and it was this discrimination against the unlucky citizens who happened to live outside Zone A that precipitated the official investigation.)*

Chairman March's statement to the Senate, in his official report on the Detroit situation, indicates that the zone scheme was hatched rather out of a desperate hope than out of a sound understanding of consumer habits. Says Chairman March:

"This zoning arrangement might have worked advantageously to the originators, if consumers had confined their purchases to the zones delimited; but with the advertising through the press and on the air by the Sunny Service Oil Company, together with the bruited usually attendant upon a price war, the news of the lower price maintained in Zone A rapidly spread abroad; consumers ignored the filling stations in the outer zones and drove into Zone A for 12½-cent gasoline. The inevitable result was that the filling stations, although admonished by the major oil companies with which they had contracts for supplies to maintain the zone differentials over Zone A, reduced their price to meet the competition, and in so doing reduced their margin of gross profit; for the major oil companies made no reduction in price to the filling stations. Hence, the price became 12½ cents in practically all parts of the city."

Now Back to U. S. Gas

Now Austin is using domestic gas again—but by special blending he still claims premium quality. He backs this up with frequent laboratory tests of his own and competitive brands.

The reporter was unable to get this story from Austin himself. He was too busy in the field. But pieced together from other sources, close to him, SALES MANAGEMENT learned that:

Sunny Service now spends \$125,-

*As if Mr. Austin hadn't caused enough grief already, the Commission observed, in the course of its inquiry, that the major oil companies were operating under what is known as a "lease and agency" arrangement, which occasioned further lifting of official eyebrows and gave impetus to still another inquiry.

000 a year in advertising; half of it in newspapers, the rest in radio, posters and stunts. The newspaper space is usually full page; the radio announcements, repeated seven to nine times a day over four Detroit stations, consist of a few well-chosen words. The purpose is to keep that snappy little word *Zip* before an increasing number of the motoring public.

W. C. Knapp, who was a sales executive of a major company in Detroit for many years and who sold Austin his first gas, joined him about a year ago as manager—though he insists that he is just Austin's "hired man."

Asked whether Zip really compares favorably with standard brands of gas, Knapp said, "It has to and the records prove that it does."

Offered Cash to Quit

Asked how Austin has been able to make a fortune while underselling the big operators, Knapp attributed this to efficiency and economy of operation. He chooses his locations with great care and never places his stations too near together. As a result, he has never had to close a station and all his stations have earned a net profit as soon as they got going. Most of the major companies have entirely too many stations, Knapp thinks. At any rate, there are about 3,700 filling stations to serve Detroit's 1,500,000 population, or one to about every 400, whereas Austin finds one to every 50,000 is enough for him. Thus, he has only two stations in Flint, a city of over 100,000.

It is said on good authority that Austin has been offered a large sum of cash to quit the Detroit market. It is also said that he was paid a large sum to stay out of Buffalo, where he was about to open a couple of stations last Fall.

Electrocuting Insects

"The bright light attracts and the electric grid kills," explains the Kawneer Company, Niles, Michigan, in announcing in newspaper space its Insectolier. "Connects to usual 110-volt light socket." The price is \$9.95, f. o. b. factory. Insectolier is recommended for use in homes, orchards, tourist camps, country clubs and food stands—against mosquitoes, moths, beetles and gnats.

Resume Brewer Conventions

The first national convention of the United States Brewers' Association in 16 years will be held in Chicago, September 27 and 28. Convention headquarters have not yet been chosen.



Your
Chance
to
Buy

Good Books at a Bargain!

One of the curses of the publishing business is that books will become slightly damaged, soiled and shelf-worn. In content, they are as good as new. But of course such volumes can be sold only at a discount. Right now we are taking our mid-summer inventory, and it's heart-breaking to discover that we have a number of these not-quite-up-to-par volumes. So, while we weep, the smart buyer can reap.

The Letter Laboratory:—This is Maxwell Droke's famous compilation of letters and letter data. It presents and analyzes scores of letters to meet every business need. Answers all the questions you've been asking about letters. We have perhaps two dozen sets of the latest edition that have failed to keep that schoolgirl complexion. Contents undamaged, and they look better than the average book that has seen desk service for a month. Regular price, \$7.50, but you may have one of these for \$3.75.

The Credit Laboratory:—Only 38 copies remain of the fourth edition. A few more than we need as souvenirs. Candor forces us to admit that they are shelf-worn, but the information is there! This work is really a credit man's encyclopedia. More practical credit and collection data than we have ever seen between two covers. Priced at \$7.50, but if you are quick on the get-away you can have one of these for \$2.50.

Take a Letter . . . by Jack Garrett, who made his reputation answering inquiries for the big mail-order houses. The best book we know of on the art of dictating effective business letters. A few copies the stock-room boy carelessly failed to enclose in dust-proof cartons. We lose. You profit. Regular price, \$3.00. Order yours at \$2.00.

Salesman's Idea Incubator: Four pocket-size volumes, beautifully bound. Enough first-rate inspirational material here to fill your house organ and sales bulletins for a year. Undamaged; but we'll need the shelf room in September, so we are parting with a few sets at half-price. Regular \$4.00 value, but the nimble sales executive gets his now at \$2.00.

Special Offer: We thought we were sold out on a popular Survey, "How to Plan and Write Follow-Up Letters", but just found a box of 100. If you care to send remittance with your order, saving us bookkeeping expense, we'll include one of these \$1.50 Surveys FREE of charge. Money-back guarantee on anything you buy of us, at any time.

MAXWELL DROKE

P. O. Box 611-L
Indianapolis, Indiana

113 Bright Spot Cities

Business Activity as Measured by Bank Debts

NATIONAL recovery in June proceeded to the 100.5 level as compared with last year. For the year to date the figure is 84.3. Major cities (trading population in excess of 100,000), which for the first half of the year were ahead of the national average include: Hartford, Boston, New Bedford, Providence, Albany, Buffalo, Syracuse, Philadelphia, Toledo, Pittsburgh, Washington, Charlotte, Winston-Salem, Richmond, Jacksonville, Miami, Nashville, Chicago, Des Moines, Milwaukee, Louisville, St. Louis, Memphis, Minneapolis, St. Paul, Denver, Oklahoma City, Dallas, Houston, San Antonio, Oakland, San Francisco, Portland.

Relative Standing is the relationship of the individual city for the current month, with the country as a whole. A figure of 120, for example, indicates that bank debits in a particular city were 20 per cent better than in the entire U. S. A. The trading area population figures are publishers' estimates.

The cities presented herewith are those which equal or exceed the national average. The complete list of 262 cities is available monthly at a subscription price of \$2.00 a year. Copies are sent by first-class mail on the 20th of each month. Ask for a sample copy. Address Statistical Department, SALES MANAGEMENT, New York

BANK DEBITS ('33 as of '32)					
Trading Area Pop.	May %	June %	Yr. to	Relative	
(000 omitted)			Date %	Standing	
U. S. A. Average (excl. N. Y. C.)	92.1	100.5	84.3	100	
Boston F. R. District	94.9	116.6	85.9	116	
Hartford, Conn.	458	90.3	104.5	86.7	104
Waterbury, Conn.	173	86.1	101.1	79.5	101
Boston, Mass.	2,835	99.0	123.0	87.6	123
Brockton, Mass.	210	86.9	104.8	84.5	104
Fall River, Mass.	138	99.3	115.4	89.8	115
Lowell, Mass.	162	89.0	118.1	94.1	118
New Bedford, Mass.	154	96.7	117.5	89.9	117
Providence, R. I.	833	93.5	117.0	87.6	117
New York F. R. District (excl. N. Y. C.)	99.3	105.7	85.0	105	
Albany, N. Y.	510	116.8	118.7	89.4	118
Buffalo, N. Y.	1,015	94.8	103.9	85.2	103
Rochester, N. Y.	599	88.7	100.5	83.1	100
Syracuse, N. Y.	450	101.7	117.8	89.1	117
Utica, N. Y.	300	96.4	103.3	.....	103
Philadelphia F. R. District	89.2	101.7	87.5	101	
Wilmington, Del.	244	97.6	108.0	84.9	108
Harrisburg, Pa.	262	100.5	102.5	97.9	102
Lebanon, Pa.	67	86.4	103.9	82.4	103
Philadelphia, Pa.	3,527	91.3	105.1	89.9	105
Cleveland F. R. District	82.9	98.9	81.0	98	
Canton, O.	290	102.2	110.0	91.0	110
Cincinnati, O.	1,030	86.0	100.7	83.6	100
Middletown, O.	51	102.4	121.6	88.4	121
Warren, O.	607	122.0	127.1	95.0	127
Youngstown, O.	300	85.1	102.7	75.7	102
Butler, Pa.	85	87.3	102.6	87.9	102
Pittsburgh, Pa.	2,000	102.6	118.1	87.9	118
Wheeling, W. Va.	170	66.7	109.2	90.9	109
Richmond F. R. District	86.0	90.8	81.9	90	
Cumberland, Md.	95	90.8	121.0	83.6	121
Asheville, N. C.	379	91.3	109.8	81.3	109
Charlotte, N. C.	630	108.0	117.2	94.0	117
Durham, N. C.	250	134.4	139.0	110.6	139
Winston-Salem, N. C.	200	120.6	132.3	96.8	132
Greenville, S. C.	300	126.3	148.9	94.1	148
Danville, Va.	160	92.3	110.7	88.6	110
Lynchburg, Va.	160	96.6	101.6	87.6	101
Richmond, Va.	313	99.4	100.2	93.3	100
Roanoke, Va.	234	89.7	104.7	83.7	104
Charleston, W. Va.	344	118.4	106.0	91.3	106
Atlanta F. R. District	93.5	99.3	83.3	99	
Dorhan, Ala.	300	133.4	172.5	101.4	172
Mobile, Ala.	288	94.1	100.9	81.2	100
Montgomery, Ala.	470	117.0	125.1	94.9	125
Miami, Fla.	164	116.2	126.8	91.1	126
Pensacola, Fla.	75	110.0	115.6	95.0	115
Albany, Ga.	260	81.3	111.2	71.3	111
Atlanta, Ga.	1,341	95.8	101.5	88.7	101
Augusta, Ga.	387	106.3	116.6	86.5	116
Brunswick, Ga.	65	94.0	102.4	84.5	102
Columbus, Ga.	202	99.8	123.8	88.0	123
Macon, Ga.	500	107.8	110.7	86.0	110
Newnan, Ga.	.....	154.1	173.0	118.0	173
Savannah, Ga.	372	99.6	109.8	84.2	109
Hattiesburg, Miss.	178	96.3	118.4	86.1	118
Jackson, Miss.	324	96.1	110.8	97.3	118
Meridian, Miss.	250	119.0	145.3	104.1	145
Vicksburg, Miss.	23	116.1	120.7	101.7	120
Nashville, Tenn.	861	91.7	105.1	89.3	105

BANK DEBITS ('33 as of '32)					
Trading Area Pop.	May %	June %	Yr. to	Relative	
(000 omitted)			Date %	Standing	
Chicago F. R. District	88.8	91.4	80.2	91	
Chicago, Ill.	4,532	99.5	100.1	86.9	100
Decatur, Ill.	180	82.7	109.3	83.7	109
Rockford, Ill.	353	114.1	111.6	85.3	111
Terre Haute, Ind.	190	94.1	104.5	89.1	104
Mason City, Ia.	133	95.0	105.2	82.4	105
Sioux City, Ia.	782	110.7	113.1	89.0	113
Milwaukee, Wis.	1,226	94.6	102.5	88.0	102
Sheboygan, Wis.	127	100.0	110.8	89.7	110
St. Louis F. R. District	93.4	99.9	86.6	99	
Pine Bluff, Ark.	189	99.0	117.2	89.2	117
Texarkana, Ark.	237	84.5	132.5	84.9	132
East St. Louis and Nat. Sk. Yd., Ill.	175	99.8	101.8	85.9	101
Evansville, Ind.	444	88.5	102.3	79.3	102
Louisville, Ky.	708	96.3	112.0	95.3	112
Greenville, Miss.	15	112.1	118.2	80.4	118
Memphis, Tenn.	927	104.4	109.2	92.4	109
Minneapolis F. R. District	109.2	121.0	95.3	121	
Duluth, Minn.	377	94.8	153.5	101.1	153
Minneapolis, Minn.	567	119.2	134.2	102.0	134
Red Wing, Minn.	46	84.8	105.1	75.0	105
So. St. Paul, Minn.	35	105.6	101.0	70.6	101
Winona, Minn.	60	88.0	122.9	86.7	122
Helena, Mont.	22	111.9	102.7	96.1	102
Dickinson, N. D.	.....	92.5	123.7	77.1	123
Jamestown, N. D.	80	95.7	115.7	84.7	115
Sioux Falls, S. D.	209	103.7	120.0	91.6	120
Kansas City F. R. District	94.3	103.2	86.6	103	
Denver, Colo.	375	91.6	102.0	88.8	102
Atchison, Kans.	26	101.5	106.0	86.2	106
Hutchinson, Kans.	75	116.5	126.6	88.4	126
Wichita, Kans.	286	89.4	113.3	82.6	113
Joplin, Mo.	250	118.6	105.8	109.0	105
Kansas City, Mo.	900	95.5	107.8	87.3	107
St. Joseph, Mo.	306	98.8	124.7	85.0	124
Omaha, Neb.	350	97.7	101.5	83.9	101
Bartlesville, Okla.	54	118.6	116.0	113.7	116
Enid, Okla.	190	112.0	145.7	95.8	145
Guthrie, Okla.	55	110.0	157.0	96.4	157
Muskogee, Okla.	140	96.6	102.7	87.0	102
Okla. City, Okla.	926	96.0	109.1	85.4	109
Okmulgee, Okla.	96	95.9	111.5	88.2	111
Dallas F. R. District	96.2	103.5	87.9	103	
Shreveport, La.	509	84.0	120.9	86.4	120
Roswell, N. M.	35	91.1	133.2	98.0	133
Abilene, Tex.	163	106.7	116.0	94.9	116
Dallas, Tex.	831	100.9	104.6	87.9	104
El Paso, Tex.	439	84.9	101.5	82.0	101
Houston, Tex.	539	104.9	107.5	95.6	107
Port Arthur, Tex.	51	82.5	104.4	80.9	104
Texarkana, Tex.	.....	107.5	102.2	79.1	102
Waco, Tex.	275	106.4	108.7	86.7	108
Wichita Falls, Tex.	239	97.4	112.1	87.9	112
San Francisco F. R. District	97.7	101.1	86.5	101	
Phoenix, Ariz.	250	96.6	101.8	79.9	101
Bakersfield, Cal.	72	112.5	108.7	88.3	108
Oakland, Cal.	586	108.6	103.6	97.4	103
Pasadena, Cal.	151	83.1	109.5	78.3	109
San Francisco, Cal.	1,631	102.8	104.1	89.4	104
Portland, Ore.	475	103.8	115.8	91.8	115
Ogden, Utah	65	108.1	114.0	93.0	114
Salt Lake City, Utah	243	98.2	106.2	84.3	106
Everett, Wash.	84	83.0	120.7	75.4	120
Seattle, Wash.	513	92.6	101.8	82.3	101

Bulletins that Keep the Sales Plan Alive

(Continued from page 135)

directed educational meetings were staged. A direct mail pre-approach was perfectly timed with calls. Salesmen worked *with* the mailings. The mailings worked *for* the salesmen. This control you should also establish as you go into this new campaign. Selection of names, mailing of letters and personal follow-up should be tied together."

The individual salesman signed the letters and prepared them for the actual mailing. Return postcards, to be mailed direct to branch offices, accompanied all letters. In connection with this pre-approach direct mail campaign, which, incidentally, was very successful, we cautioned our men not to wait for the complete mailing before making calls.

Subjects for Bulletins

Some of the bulletins that followed had the following headings and dealt most specifically with the subject at hand: "Sales Helps" (sales tools available); "Prospect Control" (The sales manager should get far more than calls out of his "Prospect Control." The system should continually feed him with facts he must have to manage. It should be in shape for constant analysis); "The Sales Record" (dealing with the problem of helping sales managers increase volume and cut costs); "Visual Presentations"; "Advertising"; "Banks"; "Catalog Covers"; "Sales Record Assurance" and "Standardizations."

A big point in addressing not a few of our bulletins to the salesmen themselves was to create in their minds a greater sense of responsibility. The individual branch manager lays out his own plan for the conduct of his sales meeting.

We have personal knowledge of how scores of these meetings were and are being conducted and are pleased with the response given the bulletins and the entire sales record campaign. Most managers took the pains to study all bulletins and were conversant with what they contained before it was divulged and discussed in open forum. The bulletins have meant and are continuing to mean much to us in dollars and cents. Record sales have increased and our process of re-education has not only given our men a truer grasp of the significance of the merchandise they are selling daily, but has also made them more sympathetic to the trials and needs of sales managers.

You Profit in "Appearance"



... when you wear Shotland & Shotland custom-tailored garments. Good-looking clothes and the "right" appearance cannot be purchased by the gross or turned out by machines. Every man presents an individual problem of design, cut and fabric.

It has been our pleasure to provide our good clientele with custom-tailored garments, made from imported fabrics—cut and designed to suit their pleasure—and with a superb workmanship that assures perfection.

In spite of advancing woolen prices—we have not increased our price as yet. It will therefore be to your advantage to

select your Fall clothes now.

Samples of cloths and style booklet sent on request.

Telephone BRyant 9-7495



Do Your Salesmen Need a Tonic?

Write for samples of Sales Management's short messages to salesmen.

Hundreds of companies are mailing these to their men every week. They deal deftly with such problems as

Getting men to work early in the morning

Reaching the right man to sell

Doing more canvassing

Making Saturday a selling day

Cultivating lack of fear in handling price

Recognizing the value of the small prospect

and scores of similar problems common to almost all types of businesses that have men in the field. The cost is very nominal on a quantity basis.

WRITE FOR SAMPLES

SALES
management

420 Lexington Ave., New York City

\$3 A DAY



Just imagine! Now you can enjoy the luxury and comfort

of the smart new Hotel Lexington for as little as \$3 a day...\$4 a day for two persons. And Lexington restaurant prices are equally thrifty... breakfast in the Main Dining Room is only 35c, luncheon 65c, dinner with dancing, \$1, in the cool, carefully conditioned air of the Silver Grill.

HOTEL LEXINGTON

48TH AND LEXINGTON AVENUE • NEW YORK

Under Ralph Hitz Direction • Chas. E. Rochester, Manager

Other Hotels under Ralph Hitz Direction: Book-Cadillac, Detroit; Netherland Plaza, Cincinnati; Ritz-Carlton, Atlantic City; Van Cleve, Dayton



Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office, please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

Surveys for which a charge is made are so indicated. Requests for these should be made direct to publishers, accompanied by the purchase price.

Markets

Dallas, and Texas, too: A portfolio of six colored maps, published by the Dallas News and Journal (Henry D. Guy, Nat. Adv. Mgr.), gives six graphic measurements of sales potentials, not only for Dallas but for the entire state of Texas as well. The maps are admirably designed, and show by a series of five colors the density of each item being measured, with further tables giving the actual figures by counties on the back of each chart. Specifically, the maps show (1) population density, (2) automobile registrations, (3) food sales in terms of dollars, (4) total retail sales, also by dollars, (5) concentration of spendable income, and (6) coverage of the Dallas News and Journal. Check these maps against your Texas sales, and you'll find it an excellent investment of time.

Baking Industry Facts and Figures—Of interest not only to those in the baking industry, but as well for those who sell to that industry is this loose-leaf portfolio published by *Baker's Helper*, 330 South Wells Street, Chicago. Owing to the difficulty of getting comparable figures for each of the last two or three years, some tables are shown to include 1932, others 1931, and still others go back to the government figures of 1929—a condition existing in most industries, for that matter. Delivery vehicles and trucks, of which the baking industry uses a substantial share, are shown by states, and by a listing of large fleet users. Bakery distribution figures by states, being a further breakdown of the census figures prepared by the chief statistician of the Department of Commerce at the request of *Baker's Helper*, give information on the industry never before released.

Sixteen Surveys—To determine the most effective method of catalogue distribution in the building market, Sweet's Catalogue Service and a number of manufacturing concerns asked architects' opinions. In brief, do the architects prefer to get their information on products from catalogues issued by the various manufacturers, or from the all-inclusive Sweet's Catalogue? Five of the surveys were made by Sweet's. The rest were made independently by such concerns as The Philip Carey Company, McKinney Manufacturing Company, Heywood-Wakefield Company, P. & F. Corbin, Soule Steel Company, A. C. Nielsen Company. The result is a complete knockout for Sweet's. In most of the surveys, the vote for Sweet's was 90 per cent or higher. Principal trouble with company catalogues

seems to be their tendency to get lost or misfiled, if not actually discarded in favor of one relatively complete index to the products of the entire field. Manufacturers who service this field should get this booklet, addressing this office or Sweet's, 119 West 40th Street, New York.

St. Petersburg, Florida—Here is a challenge to marketeers. For years, according to the thesis of the St. Petersburg Newspaper Service, market analysts have divided Florida into three major markets centered around the state's three largest cities—Miami, Tampa and Jacksonville. St. Petersburg, fourth city in the state, declines firmly to be omitted from the major market group. Fortified with trustworthy statistics on spendable income, automobile registrations, retail sales, plus complete lack of overlapping newspaper circulation from any other market whatsoever, it is riding full tilt down the field. Resident population is over 40,000. Winter influx of sun seekers adds about 100,000. These tourists spent over 10 million dollars in Pinellas County (St. Petersburg) in 1932. Per capita retail sales that same year for the city were \$210 higher than those for the state of Florida, \$138 higher than Tampa, \$85 higher than Jacksonville, \$16 lower than Miami. Automobile ownership, 1932, shows the St. Petersburg area ranking first in the state, well above the national average, for cars both under and over \$1,000. The market is clearly high in buying power, detached from other Florida sales and advertising influence, and advertising-conscious as shown by a comparison of local display advertising of St. Petersburg, Tampa, Jacksonville and Miami newspapers, in which the smaller city retail merchants more than hold their own in amount of lineage. There are ten pages of statistical data in this folder, with a promise of more to come. Sales and advertising executives searching for territories where money is being spent with more than average freedom should check the entire analysis. SALES MANAGEMENT's 1933 Survey of Spending Power estimates are used, together with government figures, to bring the market situation into sharp 1932 focus. Address this office, or the St. Petersburg Newspapers Service, representing the *Evening Independent* and the *St. Petersburg Times*.

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49 WAYS-

to make more money
from your advertising

A 16 page booklet gives you facts you should know about direct mail—how you can use it to bring you traceable returns from all your advertising. A checking chart helps you to select the forms that will get the most out of every advertising dollar you spend. Send 10c to pay mailing cost, and this valuable 16 page booklet will be mailed you at once.

DIRECT MAIL ADVERTISING
ASSOCIATION, Inc.

13 West 23rd Street New York City

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display.
Cash Basis Only. Remittance Must Accompany Order

EXECUTIVES WANTED

SALARIED POSITIONS \$2,500 TO \$25,000. This thoroughly organized advertising service of 23 years' recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated, through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance the moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over \$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N. Y.

POSITION WANTED

YOUNG COLLEGE GRADUATE (SCHOOL of Business Administration), strong personal sales ability, capable correspondent, and possessing knowledge of modern merchandising methods, desires to build permanent career in sales department of progressive manufacturer. Prefers practical training in plant, preparatory to actual sales work. Age 25, single. Location unimportant. Can travel when necessary. Excellent reference from present employer. Address Box 376, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

TORONTO
MONTREAL
WINNIPEG
LONDON, Eng.

GIBBONS KNOWS CANADA

REGINA
CALGARY
EDMONTON
VANCOUVER